



ABN 53 117 086 745

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

EXPLANATORY MEMORANDUM

AND

PROXY FORM

10:00 AM (WST) THURSDAY 23 NOVEMBER 2017

AT

**SUTHERLAND ROOM, CITY WEST RECEPTIONS
45 PLAISTOWE MEWS, WEST PERTH WA 6005**

This Notice of Annual General Meeting, Explanatory Memorandum and Proxy Form should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

**NOTICE OF MEETING
EMMERSON RESOURCES LIMITED**

Notice is hereby given that the Annual General Meeting of Emmerson Resources Limited ("Company") will be held at Sutherland Room, City West Receptions, 45 Plaistowe Mews, West Perth WA 6005 on Thursday 23 November 2017 commencing at 10:00 am (WST) for the purpose of transacting the following business:

AGENDA

ANNUAL ACCOUNTS

To receive and consider the Annual Financial Report, Directors' Report, Directors' Declaration and Audit Report for the year ended 30 June 2017. The Annual Financial Report is available at the website of the Company (www.emmersonresources.com.au) under "Investor Centre", "Annual Reports".

RESOLUTION 1 - RE-ELECTION OF MR ALLAN TRENCH

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

"That Mr Allan Trench who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

RESOLUTION 2 - ADOPTION OF REMUNERATION REPORT

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

"That the Remuneration Report (included from page 16 to page 24 of the Directors Report of the Company's 2017 Annual Report) for the year ended 30 June 2017 be adopted."

Note that the vote on this item is advisory only and does not bind the Directors or the Company.

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member. However, a vote may be cast by such person if the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS

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

"That, pursuant to and in accordance with ASX Listing Rule 7.4 and for all other purposes, the Company ratifies:

- a) the issue and allotment on 19 October 2017 of 21,599,999 Shares at an issue price of \$0.09 each per Share to institutional and sophisticated investors on the terms and conditions set out in the Explanatory Memorandum; and*
- b) the grant on 19 October 2017 of 10,800,000 Options, each Option exercisable at \$0.135 on or before 30 September 2020 to institutional and sophisticated investors on the terms and conditions set out in the Explanatory Memorandum."*

The Company will disregard any votes cast on this Resolution by any person who participated in the issue of Shares and grant of Options 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.

RESOLUTION 4 - RATIFICATION OF ISSUE OF OPTIONS TO BROKER

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

"That, pursuant to and in accordance with ASX Listing Rule 7.4 and for all other purposes, the Company ratifies the issue of 9,000,000 Options, each Option exercisable at \$0.135 on or before 30 September 2020 at an issue price of \$0.0001 each per Option to Argonaut Investments Pty Limited <Argonaut Invest No 3 A/C> on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on this Resolution by Argonaut Investments Pty Limited <Argonaut Invest No 3 A/C> 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.

RESOLUTION 5 - APPROVAL OF INCENTIVE OPTION SCHEME

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

"That, for the purposes of Exception 9 of Rule 7.2 of the ASX Listing Rules and for all other purposes, approval is given for the Company to administer and issue securities under its Incentive Option Scheme as an exception to Listing Rule 7.1 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

The Company will disregard any votes cast on this Resolution by any director of the Company who is eligible to participate in the Incentive Option Scheme 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 a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form.

OTHER BUSINESS

To transact any other business that may be legally brought before the meeting.

By order of the Board



Trevor Verran
Company Secretary
20 October 2017

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders of Emmerson Resources Limited ("Emmerson" or the "Company") in connection with the business to be conducted at the Annual General Meeting to be held at Sutherland Room, City West Receptions, 45 Plaistowe Mews, West Perth WA 6005 on Thursday 23 November 2017 commencing at 10:00 am (WST).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

This Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

ANNUAL ACCOUNTS

The Corporations Act requires the Financial Report and accompanying Directors' Report, Directors' Declaration and Audit Report for the year ended 30 June 2017 to be laid before the Meeting. No resolution will be required to be passed on this matter, however, shareholders will have an opportunity to ask questions and comment about the reports at the AGM.

RESOLUTION 1 - RE-ELECTION OF MR ALLAN TRENCH

The Company's Constitution requires that at the Annual General Meeting, one-third of the Directors shall retire from office. In accordance with this requirement Mr Trench retires and being eligible, has offered himself for re-election as a Director.

Mr Trench was appointed as a Director of the Company on 3 March 2015 and is an independent Non-Executive Director of the Company. Details of Mr Trench background and experience are set out in the Annual Report.

The Board (excluding Mr Trench) recommends that Shareholders vote in favour of Resolution 1. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 1.

RESOLUTION 2 - ADOPTION OF REMUNERATION REPORT

Resolution 2 seeks shareholder approval for the adoption of the Remuneration Report for the year ended 30 June 2017.

Prior to voting on this Resolution there will be an opportunity for Shareholders to ask questions and comment about the Remuneration Report for the year ended 30 June 2017 which is included from page 16 to page 24 of the Directors Report of the Company's 2017 Annual Report. The vote on this Resolution is advisory only and will not bind the Directors or the Company.

However changes to the Corporations Act which came into effect on 1 July 2011 give Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (Two Strikes Rule).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that it may result in the re-election of the Board.

The Board takes seriously the need to ensure that executive remuneration achieves an appropriate balance between the interests of Shareholders and the need to attract and retain management who have the skills and expertise necessary to drive the company forward. Having had regard to a number of factors including the size of the company, the nature of its operations, conditions in the executive employment market pertaining to its industry, and having obtained expert advice, the Board has confirmed its view that the Company's remuneration structure is reasonable and appropriate.

The Company has not received any adverse feedback in relation to its remuneration practices.

The 2016 remuneration report was adopted at the company's 2016 annual general meeting where 97% of proxies received were in favour of the remuneration report for the 2016 financial year. The company received no questions at the 2016 annual general meeting in relation to its remuneration report and the Company's remuneration practices and report structure has not changed from the 2016 year.

The Board recommends that Shareholders vote in favour of Resolution 2. The Chairman intends to exercise all undirected proxies in favour of Resolution 2. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 2, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

RESOLUTION 3 - RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS

On 11 October 2017 the Company announced that it secured commitments to raise approximately \$2 million (before costs) in a placement to institutional and sophisticated investors.

On 19 October 2017 the Company issued 21,599,999 Shares at an issue price of \$0.09 each to participants under this placement. For every two Shares issued to participants under the placement, participants were also granted 1 free attaching unlisted Option totalling 10,800,000 Options with an exercise price of \$0.135 each, exercisable on or before 30 September 2020. The Shares and Options were issued pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period which, when aggregated with the value of the other securities issued within that 12 month period, exceed 15% of the value of ordinary shares on issue at the beginning of the 12 month period, unless the issue falls within one of the nominated exceptions or the prior approval of members of the company in general meeting is obtained. It is possible under Listing Rule 7.4 to ratify previous issues that were made otherwise than under Listing Rule 7.1. The effect of such ratification is to restore the Company's discretionary power to issue further securities up to 15% of the nominal value of the Company's issued Shares at the beginning of the relevant 12 month period without obtaining shareholder approval.

Resolution 3 seeks ratification pursuant to Listing Rule 7.4 of the issue of the 21,599,999 Shares and 10,800,000 attaching Options referred to above raising a total of \$1,943,999.91.

In relation to Resolution 3, in compliance with Listing Rule 7.5, Shareholders are advised as follows:

- (a) The total number of securities allotted on 19 October 2017 was 21,599,999 Shares and 10,800,000 Options to acquire Shares in the Company;
- (b) The Shares were issued at \$0.09 each, raising \$1,943,999.91 before costs associated with the issue;
- (c) The Options were issued for no consideration and can be exercised on payment to the Company of the exercise price of \$0.135 each on or before 30 September 2020.
- (d) The Shares and Options have been issued and granted to institutional and sophisticated investors and are not related parties to the Company.
- (e) The Shares are fully paid ordinary Shares and rank equally in all respects with the Company's existing fully paid ordinary Shares. The terms of the Options are set out in Annexure A to this Explanatory Memorandum; and
- (f) Funds raised pursuant to the issue of Shares and Options will be used to accelerate exploration over Emmerson's five NSW projects and for general working capital. Specifically, to drill some exciting new targets at our Kadungle project where a recent Induced Polarisation geophysical survey has revealed new untested targets. Based on the historical drilling and geology, these likely represent sulphides associated with a large, underlying porphyry copper-gold and associated, shallow, epithermal gold mineralisation. The funds will fast track systematic exploration across Emmerson's other five projects at Fifield, Parks, Temora/Sebastopol, Wellington and Kiola.

The Board recommends that Shareholders vote in favour of Resolution 3. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

RESOLUTION 4 - RATIFICATION OF ISSUE OF OPTIONS TO BROKER

On 11 October 2017 the Company announced that it secured commitments to raise approximately \$2 million (before costs) in a placement to institutional and sophisticated investors.

In connection with this placement, the Company entered into an arrangement with Argonaut Securities Pty Ltd to act as lead manager to the placement and agreed to pay capital raising and management fees on amounts raised under the placement on normal commercial terms. In addition to the cash fee payable, the Company agreed to issue, on completion of the placement, 9,000,000 Options to acquire fully paid ordinary shares in the Company exercisable at \$0.135 each on or before 30 September 2020, at an issue price of \$0.0001 per Option. These Options were issued to Argonaut Investments Pty Limited <Argonaut Invest No 3 A/C>, an associate of Argonaut Securities Pty Ltd on 19 October 2017.

ASX Listing Rule 7.1 provides that a listed company may not issue securities in any 12 month period which, when aggregated with the value of the other securities issued within that 12 month period, exceed 15% of the value of ordinary shares on issue at the beginning of the 12 month period, unless the issue falls within one of the nominated exceptions or the prior approval of members of the company in general meeting is obtained. It is possible under Listing Rule 7.4 to ratify previous issues that were made otherwise than under Listing Rule 7.1. The effect of such ratification is to restore the Company's discretionary power to issue further securities up to 15% of the nominal value of the Company's issued Shares at the beginning of the relevant 12 month period without obtaining shareholder approval.

Resolution 4 seeks ratification pursuant to Listing Rule 7.4 of the issue of the 9,000,000 Options referred to above.

In relation to Resolution 4, in compliance with Listing Rule 7.5, Shareholders are advised as follows:

- (a) The total number of securities allotted on 19 October 2017 was 9,000,000 Options to acquire Shares in the Company;
- (b) The Options were issued at \$0.0001 each, raising \$900 and can be exercised on payment to the Company of the exercise price of \$0.135 each on or before 30 September 2020.;
- (c) The Options were issued to Argonaut Investments Pty Limited <Argonaut Invest No 3 A/C> which is not a related party to the Company.
- (d) The terms of the Options are set out in Annexure A to this Explanatory Memorandum; and
- (e) Funds raised pursuant to the issue of Options will be used towards working capital.

The Board recommends that Shareholders vote in favour of Resolution 4. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 4.

RESOLUTION 5 - APPROVAL OF INCENTIVE OPTION SCHEME

The Company has an Incentive Option Scheme ("Scheme") which was last approved at the Annual General Meeting held on 20 November 2014. Resolution 5 is a resolution which seeks shareholder approval in accordance with Exception 9 of Rule 7.2 of the ASX Listing Rules for the Company to issue securities under the Scheme without prior shareholder approval and in reliance on the exception to Listing Rule 7.1.

Listing Rule 7.1 places certain restrictions on the extent to which a listed company may issue certain securities, including options. The effect is that shareholder approval is required before the company may issue securities representing more than 15% of the capital of the company within a 12 month period. However, certain issues are exempt from the restrictions of Listing Rule 7.1 and are effectively disregarded for the purposes of determining the number of securities which a company may issue within a 12 month period.

Exempt issues include an issue of securities to persons participating in an employee incentive scheme where shareholders have approved the issue of securities under the scheme as an exemption from Listing Rule 7.1. Shareholder approval must be given in a general meeting held not more than 3 years before the date of issue when the notice of meeting contains or is accompanied by certain prescribed information (set out below) (Exception 9 of Listing Rule 7.2).

In order to take advantage of the exemption from Listing Rule 7.1 and allow the Company flexibility to issue securities, shareholders are requested to approve the issue of securities under the Scheme as an exemption from Listing Rule 7.1. This approval will be effective for a period of 3 years from the date of the Resolution. It should be noted that Resolution 5 does not approve the issue of any Scheme Options to any Director of the Company. Scheme Options cannot be granted to Directors or their associates unless prior approval of shareholders is obtained in accordance with ASX Listing Rules.

The main purposes of the Scheme is to give an additional incentive to Directors and employees of the Company to provide dedicated and ongoing commitment and effort to the Company, and for the Company to reward its Directors and employees for their efforts. Under the Company's current circumstances, the Directors consider that offering Options as incentives to employees are cost effective for the Company and provide appropriate incentivisation to the employee, as opposed to alternative forms of incentives such as cash bonuses or increased remuneration.

The Directors do not consider that there are any opportunity costs to the Company or benefits foregone by the Company in granting the Options under the Scheme.

If Scheme Options are exercised, it will have the effect of increasing the Company's cash position by the amount of the exercise price multiplied by the number of Options exercised. It will also increase the number of Shares that are on issue by the number of Options exercised.

Resolution 5 seeks shareholder approval under Listing Rule 7.2 (Exception 9(b)), for the grant of Options under the Scheme (and the issue of fully paid ordinary shares in the capital of the Company on exercise of those Options) from time to time as an exception to Listing Rule 7.1 for a period of three years commencing on the date of the Meeting without being required to count those securities as part of, and without reducing, the number or securities which the Company can issue under its annual 15% limit. The impact is that for a period of three years the grant of Options, or issue of shares upon the exercise of Options, will be excluded from the number of securities used to determine the Company's annual 15% limit in each rolling 12 month period.

In accordance with Exception 9 of Listing Rule 7.2, shareholders are provided with the following information.

A summary of the significant terms of the Incentive Option Scheme are as follows:

- (a) **Purpose:** The purpose of the Scheme is to encourage participation by Eligible Participants in the Company through Share ownership and to attract, motivate and retain Eligible Participants.
- (b) **Eligible Participant:** means a full or part time employee or a director of the Company or an Associated Body Corporate, whom the directors determine is entitled to participate in the Scheme.
- (c) **Offers:** The Board, acting in its absolute discretion, may offer Options to any Eligible Participant from time to time as determined by the Board and in exercising that discretion, may have regard to some or all of the following:
 - the Eligible Participant's length of service;
 - the contribution made by the Eligible Participant;
 - the potential contribution of the Eligible Participant; or
 - any other matter the Board considers relevant; and

impose conditions, including performance-related conditions, on the right of an Eligible Participant to exercise any Option granted.

- (d) **Options:** Options are granted for no consideration. Options will not be quoted on the ASX. Shares issued pursuant to the exercise of Options rank pari passu with all ordinary issued shares of the Company.
- (e) **Exercise Price:** is to be determined by the Board for each Offer and otherwise in accordance with the ASX Listing Rules.
- (f) **Vesting Conditions:** The Board determines vesting conditions for each Offer
- (g) **Exercising Options:** Options can be exercised at any time after the Options have vested and prior to the Option expiry date by notice to the Company Secretary in the prescribed form.
- (h) **Lapsing of Options:** Options lapse if they are not exercised by the Option expiry date. Unless otherwise determined by the Board, where the Eligible Participant ceases their employment or directorship with the

Company or an Associated Body Corporate, the Eligible Participant has 60 days in which to exercise any vested Options or until the Option expiry date, whichever is earlier.

- (i) **Renunciation:** Upon receipt of an Offer, an Eligible Participant may, by notice in writing to the Board, nominate an Associate of that Eligible Participant (Nominee) in whose favour the Eligible Participant wishes to renounce the Offer. The Board may, in its discretion, resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision. If the Board resolves to allow a renunciation of an Offer in favour of a Nominee, the Eligible Participant will procure that the permitted Nominee accepts the Offer made to that Eligible Participant and that both the Eligible Participant and the Nominee agree to be bound by the Rules.
- (j) **New Issues:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (k) **Rights Issues:** If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) no adjustment will be made to the Option Exercise Price.
- (l) **Bonus Issues:** In the event of a bonus issue of Shares being made pro rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.
- (m) **Trigger Event:** means the despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act; or the announcement of a takeover bid or receipt by the Company of a bidder's statement in respect of the Company; or the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Option, to sufficient Shares to give it or them the ability, in general meeting, to replace all or allow a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

Notwithstanding the Rules of the Scheme, upon the occurrence of a Trigger Event, the Directors may determine:

- i) that the Options may be exercised at any time from the date of such determination, and in any number until the date determined by the Directors acting bona fide so as to permit the holder to participate in any change of control arising from a Trigger Event, provided that the Directors will forthwith advise in writing each holder of such determination. Thereafter, the Options shall lapse to the extent they have not been exercised; or
- ii) to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Trigger Event in which case the Directors shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Options shall immediately become exercisable and if not exercised within 10 days, shall lapse.

9,000,000 Options have been issued under the Scheme since the date of the last approval. These options were issued on 5 December 2014 following shareholder approval at the annual general meeting held on 20 November 2014. No further Options have been issued under the Scheme since 5 December 2014.

DATED this 20 October 2017

BY ORDER OF THE BOARD

GLOSSARY OF TERMS

The following terms have the following meanings in this Explanatory Memorandum:

- “Annual General Meeting”** or **“AGM”** or **“Meeting”** means the meeting convened by this Notice;
- “Annual Report”** means the Company’s Annual Report for the year ended 30 June 2017 containing the Financial Report, Directors’ Report, Directors’ Declaration and the Auditors Report;
- “Associate”** has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.
- “ASX”** means ASX Limited or the Australian Securities Exchange, as the context requires;
- “Auditor’s Report”** means the Auditor’s Report on the Financial Report;
- “Board”** means the 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;
- “Closely Related Party”** of a member of the Key Management Personnel means a spouse or child of the member; or has the meaning given in section 9 of the Corporations Act;
- “Company”** or **“Emmerson”** means Emmerson Resources Limited (ABN 53 117 086 745);
- “Constitution”** means the constitution of the Company;
- “Corporations Act”** means Australian Corporations Act 2001 (Cth);
- “Directors”** mean the directors of Emmerson Resources Limited from time to time;
- “Directors’ Report”** means the annual Directors’ Report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;
- “Explanatory Memorandum”** means the information attached to the Notice of Meeting which provides information to Shareholders about the resolutions contained in the Notice of Meeting;
- “Key Management Personnel”** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;
- “Notice of Meeting”** or **“Notice”** means this notice of meeting including the Explanatory Memorandum and the Proxy Form;
- “Option”** means an option to acquire a Share;
- “Proxy Form”** means the proxy form accompanying this Notice;
- “Remuneration Report”** means the remuneration report set out in the Director’s Report section of the Company’s Annual Report for the year ended 30 June 2017;
- “Resolution”** means a resolution referred to in the Notice;
- “Scheme”** means the Company’s employee incentive option scheme;
- “Share”** means a fully paid ordinary Share in the capital of the Company;
- “Shareholder”** means shareholder of the Company.
- “WST”** means Australian Western Standard Time.

ANNEXURE A: TERMS OF OPTIONS

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option. The Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of 100,000 must be exercised on each occasion.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be A\$0.135 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00pm (WST) on 30 September 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 10 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank pari passu in all respects with the issued shares of the Company.

(i) Quotation of shares issued on exercise

The Company will apply for quotation of all shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those shares.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) Transferability

The Options will be unlisted. The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(n) Notice of Exercise

To exercise the Options, each Option holder must duly complete, execute and deliver to the Company an exercise notice in the prescribed form ("Notice of Exercise"). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must, among other things, state the number of Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.

(o) US Securities Act

The Options may not be exercised by or on behalf of a person in the United States unless (i) the Options and the underlying Shares have been registered under the US Securities Act of 1933 and applicable US state securities laws, or (ii) such a transaction is exempted from, or is not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

PROXY FORM



ABN 53 117 086 745

Lodge your vote:

Mail to (prepaid envelope enclosed):
Emmerson Resources Limited
PO Box 1573
West Perth WA 6872

or

Fax to:
Within Australia (08) 9381 5375
Outside Australia +61 8 9381 5375

or

Scan and email to:
admin@emmersonresources.com.au

Appointment of Proxy

I/We being a member/s of Emmerson Resources Limited hereby appoint

	The Chairman of the Meeting (mark with an 'X')	OR		Write here the name of the person you are appointing if this person is someone other than the Chairman
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or failing the person named, or if no person is named, the Chairman 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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Emmerson Resources Limited to be held at Sutherland Room, City West Receptions, 45 Plaistowe Mews, West Perth WA 6005 on Thursday 23 November 2017 commencing at 10:00 am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions:

Where I/we have appointed the Chairman as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 2 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 2 and 5 is connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairman.

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

Voting directions to your proxy – please mark X to indicate your directions

		For	Against	Abstain*
Resolution 1	Re-Election of Mr Allan Trench as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Issue of Options to Broker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Incentive Option Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf.

Individual or Securityholder 1

Sole Director and Sole Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

How to complete the Proxy Form

1. Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make corrections on this form. Securityholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company.

3. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form 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 your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5. Signing Instructions

You must sign this form as follows in the spaces provided:

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

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

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the 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 can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing 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 produced prior to admission. A form of the certificate may be obtained from the company.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting at 10:00 am (WST) on Thursday 23 November 2017. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy form may be lodged by either:

Mail to (prepaid envelope enclosed):
Emmerson Resources Limited
PO Box 1573 West Perth WA 6872

Fax to:
Within Australia (08) 9381 5375
Outside Australia +61 8 9381 5375

Scan and email to:
admin@emmersonresources.com.au