



ACN 138 358 728

## **NOTICE OF ANNUAL GENERAL MEETING**

**To be held on Monday 26 November 2012 at 2.00 pm (Sydney time)  
at Level 6, 80 Chandos Street, St Leonards, New South Wales, 2065**

*This is an important document. Please read it carefully.  
If you are unable to attend the Annual General Meeting, please complete the Proxy Form  
enclosed with this document and return it in accordance with the instructions.*

**THOMSON RESOURCES LIMITED**  
**ACN 138 358 728**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the third Annual General Meeting of shareholders of Thomson Resources Limited (**Company**) will be held at Level 6, 80 Chandos Street, St Leonards New South Wales, 2065 on 26 November 2012 at 2.00 pm (Sydney time) for the purpose of transacting the following business.

**2012 Financial Statements**

To receive and consider the financial statements of the Company for the year ended 30 June 2012, consisting of the Financial Report, the Directors' Report and the Auditor's Report.

**Resolution 1 – Remuneration Report**

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

*“That the Remuneration Report of the Company for the year ended 30 June 2012 be adopted.”*

**Resolution 2 – Re-Election of Lindsay Gilligan as a Director**

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

*“That Lindsay Gilligan, having retired as a Director of the Company pursuant to rule 6.1 of the Company’s Constitution and, being eligible and having offered himself for re-election, be re-elected as a Director of the Company.”*

**Resolution 3 - Grant of Options to Executive Director, Eoin Rothery**

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

*“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the grant of 750,000 Options to Eoin Rothery (or his nominee) for nil consideration with an exercise price of 10 cents each, an expiry date of 31 July 2015 and otherwise on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.”*

By order of the Board



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Ivo Polovineo  
Secretary  
Date: 11 October 2012

### **Explanatory Memorandum**

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting, and should be read in conjunction with this Notice of Annual General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice of Annual General Meeting and the Explanatory Memorandum.

### **Voting Exclusions**

#### **Resolution 1**

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any 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 described above may cast a vote on Resolution 1 if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (d) the vote is not cast on behalf of a person described in paragraphs (a) or (b) above.

The Chair will not vote any undirected proxies in relation to Resolution 1 unless the shareholder specifically authorises the Chair to vote in accordance with the Chair's stated voting intentions. If a shareholder wishes to nominate the Chair as their proxy for the purpose of Resolution 1 the shareholder must either tick the 'for' or 'against' box, directing the Chair how to vote, or tick the box authorising the Chair to vote in accordance with his or her stated voting intentions, on the enclosed Proxy Form in order for their proxy vote to be counted. Alternatively, shareholders can nominate as their proxy for the purpose of Resolution 1 a proxy who is not a member of the Company's Key Management Personnel. That person would be permitted to vote undirected proxies.

#### **Resolution 3**

The Company will disregard any votes in respect of Resolution 3 if they are cast by or on behalf of Eoin Rothery, or any person who may obtain a benefit from the issue of securities under Resolution 3, or any associate of Eoin Rothery.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) 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 to vote as the proxy decides.

### **Proxies**

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

A form of proxy accompanies this Notice of Annual General Meeting.

Shareholders and their proxies should be aware of the changes made to the Corporations Act in August 2011, as they will apply to this Meeting. Broadly, the changes 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.

### **Record date**

The Company has determined, in accordance with regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, that the holders of Shares recorded in the Company's register as at 7pm (Sydney time) on 23 November 2012 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

### **Corporate Representative**

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

### EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a Notice of Annual General Meeting convening the annual general meeting of shareholders of Thomson Resources Limited (**Company**) to be held on 26 November 2012. This Explanatory Memorandum is to assist shareholders in understanding the background to and the legal and other implications of the Notice of Annual General Meeting and the reasons for the resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

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

All the resolutions are ordinary resolutions. They are separate resolutions and in no way dependent on each other.

#### RESOLUTION 1 – REMUNERATION REPORT

The Remuneration Report for the year ended 30 June 2012 is set out on pages 12 to 15 of the Company's 2012 Annual Report.

The Remuneration Report:

- explains the Board's policies relating to remuneration of Directors, secretaries and executives of the Company;
- discusses the relationship between such policies and the Company's performance;
- provides details of any performance conditions attached to such remuneration; and
- sets out remuneration details for each Director and certain named executives.

Shareholders should note that the vote on Resolution 1 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

The Corporations Act prohibits a vote on this resolution being cast (in any capacity) by or on behalf of any of the following persons:

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

However, a person described above may cast a vote on Resolution 1 if:

- (i) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (ii) the vote is not cast on behalf of a person described in paragraphs (a) or (b) above.

The Chair will not vote any undirected proxies in relation to Resolution 1 unless the shareholder specifically authorises the Chair to vote in accordance with the Chair's stated voting intentions. If a shareholder wishes to nominate the Chair as their proxy for the purpose of Resolution 1 the shareholder must either tick the 'for' or 'against' box directing the Chair how to vote, or tick the box authorising the Chair to vote in accordance with his or her stated voting intentions, on the enclosed Proxy Form in order for their proxy vote to be counted. Alternatively, shareholders can nominate as their proxy for the purpose of Resolution 1 a proxy who is not a member of the Company's Key Management Personnel. That person would be permitted to vote undirected proxies.

Subject to the above the Chair will vote all undirected proxies in favour of Resolution 1.

#### RESOLUTION 2 – RE-ELECTION OF LINDSAY GILLIGAN AS A DIRECTOR

Pursuant to rule 6.1 of the Company's Constitution, at each annual general meeting of the Company one-third of all the Directors must retire from office and are eligible for re-election.

The Company provides the following information concerning Mr Gilligan:

##### Biographical details

Mr Gilligan was recently the Director of the Geological Survey of New South Wales. His career has focussed on the geology of mineral resources and fostering mineral exploration and discovery in the state and has over 40 years' experience as a geologist. Mr Gilligan has had extensive experience in government geoscience, particularly in relation to mineral deposits. He has published widely on aspects of mineral deposits. Whilst Director he led the state government's highly successful New Frontiers exploration initiative. He has been actively involved in promoting mineral exploration investment in New South Wales both nationally and internationally.

Mr Gilligan has a broad network across the exploration industry, government, and research organisations, as well as internationally in both government and industry and has a high public

profile in the minerals industry. He is currently a director, Deep Exploration Technologies Cooperative Research Centre Ltd. he was awarded the Public Service Medal in the 2008 Queen's Birthday Honours and, in the same year, was also awarded the Australian Mining magazine's "Most Outstanding Contribution to Australian Mining" Award.

### **Details of relationships between the Candidate and the Company**

Mr Gilligan is a non-executive Director and Independent Chairman of the Company

### **Details of relationships between the Candidate and Directors of the Company**

Not applicable

### **Other directorships held**

Nil

### **The term of office already served by Mr Gilligan**

Mr Gilligan joined the Board on 16 December 2009.

The Directors (other than Mr Gilligan) do not have an interest in the outcome of Resolution 2 and recommend that shareholders vote in favour of Resolution 2.

### **RESOLUTION 3 –GRANT OF OPTIONS TO EXECUTIVE DIRECTOR**

In accordance with Resolution 3 the Company proposes to grant 750,000 options to the Company's Executive Director and Chief Executive Officer Eoin Rothery as a component of his equity based remuneration. The Options will be issued for nil consideration and will vest immediately.

Further terms and conditions of the Options are set out in the schedule to this Explanatory Memorandum.

Mr Rothery is a related party of the Company due to the fact that he is a Director of the Company. The issue of Options constitutes a "Financial Benefit" as described in the Corporations Act.

Under Chapter 2E of the Corporations Act a public company cannot give a financial benefit to a related party unless an exception applies or shareholders have, in a general meeting, approved the giving of that financial benefit to the related party.

It is the view of the Board that the issue of Options to Mr Rothery, as a component of his equity based remuneration, does not require shareholder approval under Chapter 2E of the Corporations Act and that the exemption in section 211(1) of the

Corporations Act applies to the proposed issue of Options.

Shareholder approval for the grant of Options is being sought for the purposes of ASX Listing Rule 10.11. If shareholder approval is given under ASX Listing Rule 10.11, shareholder approval is not required under ASX Listing Rule 7.1.

If Resolution 3 is passed, it will permit the Company to issue the Options to Mr Rothery who is a Director, and therefore a related party of the Company.

### **Other information**

#### **1) Reasons for grant of Options**

The Company has been fortunate to attract a highly regarded management team, and given the relatively small size of the Company it is important that the Company retain its key people and, in particular, its leadership.

The grant of the Options is an important component of Mr Rothery's total remuneration package. The Board considers that the issue of Options is a cost effective means of rewarding Mr Rothery for his performance to date and provides an incentive to Mr Rothery to continue to work towards increasing shareholder wealth. Please see the Directors' Recommendation below for further information regarding the reasons for the proposed issue of Options.

#### **2) Dilution effect on existing members' interests**

If all of the Options to be granted pursuant to Resolution 3 are exercised, the effect will be to dilute the interests of existing shareholders. The table below sets out the impact on the number of Shares and Options on an undiluted and fully diluted basis:

	Number of Shares
Shares on issue at date of this notice	70,179,500
Add Options already on issue (upon exercise)	13,200,000
<b>Total potential issued capital</b>	<b>83,779,500</b>
Options to be granted to Director	750,000
<b>Potential issued capital fully diluted</b>	<b>84,529,500</b>
Dilution effect	0.89%

If all the Options are exercised, a further 750,000 Shares will be on issue and \$75,000 (based on the exercise price of the options per Share) will be raised by the Company. The Company intends to use the funds raised, if any, to meet its working capital requirements.

### 3) Trading History

The market price of the Company's Shares during the period the Options are issued and unexercised may be one factor in determining whether or Mr Rothery will exercise the Options. The Company's Shares may be trading on ASX at a price which is higher than the exercise price of the Options. In these circumstances, if Mr Rothery then sells the Shares arising from the exercise of the Options, he would realise an immediate profit.

As at 31 July 2012, being the date of the Board recommendation of the issue of the Options, the Company's closing share price was \$0.045. The highest, lowest and last recorded market price of the Company's shares quoted on ASX from the date of the previous AGM (28 November 2011) to 10 October 2012 (being the day immediately before the date of this Notice) were:

Lowest	\$0.04
Highest	\$0.125
Last	\$0.05

### 4) Opportunity costs and tax consequences to the Company

A-IFRS requires the Company to expense Options granted to directors with the expense being transferred to an Options Expense Reserve. The amount to be expensed and transferred to the Options Expense Reserve in relation to Resolution 3 is estimated at \$8,925 for the financial year ended

30 June 2013. This amount will be transferred from the Option Expense Reserve to Issued Capital on the exercise of the Options. If the Options lapse, the amount will remain as Options Expense Reserve.

### 5) Valuation of Options

The Options to be granted have been independently valued on a methodology based on an amended Black, Scholes, Merton methodology with binomial variation, as encapsulated in the Accounting Standard AASB 2 "Share Based Payments".

The valuation methodology calculated the average value of the Options in relation to Resolution 3 at \$0.0119 per option with a total value of \$8,925. In calculating the Option valuation the following inputs were used in the valuation methodology:

Exercise Price	\$0.10
Expected Life	3 years
Dividend Yield	0%
Volatility	65.94%
Exercise Price Multiple	2.0
Risk free rate (3 year Treasury Bond yields)	4.75%
Base share price	\$0.05

### 6) Directors Remuneration and Equity holdings in the Company

In addition to the Options proposed to be granted, effective 1 July 2012, Mr Rothery will receive a salary of \$248,000 per annum pursuant to his employment agreement with the Company. Mr Rothery is entitled to reimbursement of all reasonable travelling, accommodation and other expenses that he properly incurs in connection with the business of the Company.

The current Share and Option holdings of Mr Rothery and his associates is as follows:

Shares Directly and Indirectly Held	Options Directly and Indirectly Held
50,000	2,000,000



### 7) **Information required by the ASX Listing Rules for Resolution 3**

Listing Rule 10.11 requires shareholder approval for an issue of equity securities to a related party. Approval is therefore being sought for the proposed grant of Options to the Chief Executive Officer, Mr Rothery.

Listing Rule 10.13 requires this Notice of Meeting to include the following specified information in relation to the Options to be granted to Directors to the extent that such information is not disclosed elsewhere in this Explanatory Memorandum:

- a) The maximum number of securities to be issued to Mr Rothery is 750,000 Options. The valuation of the Options is \$8,925.
- b) No funds will be raised by the grant of the options as they are being granted for no consideration.
- c) The Company intends to grant the Options to Mr Rothery as soon as practicable after the date of the Annual General Meeting but in any event, no later than one month after the date of the Meeting.

#### **Directors' Recommendation**

The Directors (other than Mr Rothery because of his interest) recommend that shareholders vote in favour of resolution 3.

The Board (other than Mr Rothery) considers that the issue of 750,000 Options (valued at a total average value of \$8,925) to Mr Rothery as part of his equity based remuneration and in recognition of his contribution to the Company and his ongoing responsibilities, is appropriate. The Board has formed this view having regard to the nature of the role of the Chief Executive Officer and Eoin Rothery's level of skill and experience, and to the circumstances of the Company. Additionally, the issue of Options to Eoin Rothery allows him to further participate in the future growth and prosperity of the Company through share ownership, thus reinforcing his commitment to the Company.

### GLOSSARY

In this Explanatory Memorandum and Notice of Annual General Meeting the following expressions have the following meanings unless stated otherwise or unless the context otherwise requires:

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

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

**Board** means the board of Directors;

**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 dependant of the member or of 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 dealings with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth);

**Company** means Thomson Resources Ltd ACN 138 358 728;

**Corporations Act** means *Corporations Act 2001* (Cth);

**Directors** means the directors of the Company;

**Key Management Personnel** has the same meaning as in the accounting standards (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director, whether executor or otherwise, of the Company);

**Meeting** means the meeting of shareholders convened by the Notice of Annual General Meeting;

**Notice of Annual General Meeting** means the notice of annual general meeting to which this Explanatory Memorandum is attached;

**Option** means an option to acquire a Share; and

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



**SCHEDULE  
TERMS AND CONDITIONS OF OPTIONS**

- The options held by the optionholder are exercisable in whole or in part at any time during the exercise period. Options not exercised before the expiry of the exercise period will lapse.
- Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price in cleared funds.
- The Company will not apply for official quotation on ASX of the options. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
- Options can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the optionholder dies, the legal personal representative of the deceased optionholder may:
  - (i) elect to be registered as the new holder of the options;
  - (ii) whether or not he becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and
  - (iii) if the deceased has already exercised options, pay the exercise price in respect of those options.
- An optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
- If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
- If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

$$A = O - \frac{E [P - (S + D)]}{(N + 1)}$$

Where:

- A = the new exercise price of the option;
  - O = the old exercise price of the option;
  - E = the number of underlying ordinary shares into which one option is exercisable;
  - P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stockmarket of ASX during the five trading days immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises);
  - S = the subscription price for a security under the pro rata issue;
  - D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and
  - N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
- If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.