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# TUC RESOURCES LTD

ACN 115 770 226

## NOTICE OF ANNUAL GENERAL MEETING

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**TIME:** 9:00 am WST

**DATE:** Friday, 25 October 2013

**PLACE:** The Celtic Club  
48 Ord Street  
West Perth WA 6005

*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.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9286 1219.*

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**IMPORTANT INFORMATION**

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**TIME AND PLACE OF MEETING**

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Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 9:00 am WST on Friday, 25 October 2013 at:

The Celtic Club  
48 Ord Street  
West Perth WA 6005

**YOUR VOTE IS IMPORTANT**

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

**VOTING ELIGIBILITY**

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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 4:00 pm WST on 23 October 2013.

**VOTING IN PERSON**

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

**VOTING BY PROXY**

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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, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member 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.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, 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.

Further details on these changes is set out below.

#### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

#### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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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 2013 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 2013."*

**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:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (d) 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 – ANTHONY BARTON

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 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Anthony Barton, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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4. **RESOLUTION 3 – RE-ELECTION OF DIRECTOR – HUIPENG ZHANG**

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 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Huipeng Zhang, a Director who is to be appointed by the board as an additional director of the Company on completion of the Tranche 1 Placement, retires, and being eligible, is re-elected as a Director.”*

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5. **RESOLUTION 4 – RATIFICATION OF SHARE ISSUE – TRANCHE 1**

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, the Shareholders hereby approve and ratify the issue of 18,500,000 Shares (Tranche 1 Shares) at an issue price of \$0.042 per Share by way of a placement to Jialong Trading Co Ltd and Sunwy International Ltd (or their nominees), companies associated with Mr Huipeng Zhang, to raise \$777,000 (Tranche 1 Placement) in the manner and on the terms and conditions described in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Jialong Trading Co Ltd and Sunwy International Ltd (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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6. **RESOLUTION 5 – PLACEMENT – TRANCHE 1 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 7.1 and for all other purposes, approval is given for the Company to issue 18,500,000 Shares at an issue price of \$0.042 per Share by way of a placement to Jialong Trading Co Ltd and Sunwy International Ltd (or their nominees), companies associated with Mr Huipeng Zhang, to raise \$777,000 (Tranche 1 Placement) 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 proposed issue 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 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 – APPROVAL OF PROPOSED SHARE AND OPTION ISSUE – TRANCHE 2**

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, the Shareholders hereby approve the issue of:*

- (a) 12,500,000 Shares (**Tranche 2 Shares**) at an issue price of \$0.05 per Share to raise \$625,000; and
- (b) 12,400,000 Options (**Options**) (being two free attaching Options for every five Shares subscribed for in Tranches 1 and 2) exercisable at \$0.20 on or before 15 August 2014 and otherwise on the terms and conditions set out in Schedule 1 to the Explanatory Statement,

*by way of placement to Jialong Trading Co Ltd and Sunwy International Ltd (or their nominees), companies associated with Mr Huipeng Zhang, in the manner and on the terms and conditions described in the Explanatory Statement."*

**ASX Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Jialong Trading Co Ltd and Sunwy International Ltd (and their nominees) 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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## 8. RESOLUTION 7 – SPILL RESOLUTION

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

*"That, for the purposes of section 250V(1) of the Corporations Act and for all other purposes, approval is given for:*

- (i) *the Company to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**); and*
- (ii) *all Vacating Directors to cease to hold office immediately before the end of the Spill Meeting; and*
- (iii) *resolutions to appoint persons to offices that will be vacated pursuant to (ii) to be put to vote at the Spill Meeting."*

### **Voting Prohibition Statement:**

A vote on this Resolution 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 (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:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) 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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**DATED: 19 SEPTEMBER 2013**

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'G. Boden', written in a cursive style.

**GRAEME R BODEN  
COMPANY SECRETARY**

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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 which are the subject of the business of the Meeting.

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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 2013 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 [www.tucresources.com.au](http://www.tucresources.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

Under changes to the Corporations Act which came into effect on 1 July 2011, 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 more than 25%. Accordingly, the Spill Resolution will be relevant for this Annual General Meeting if at least 25% of the votes cast on the Remuneration Report resolution are voted against adoption of the Remuneration Report.

### 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

***If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy***

***You must direct your proxy how to vote on this Resolution.*** Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

***If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).***

You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, **you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.**

***If you appoint any other person as your proxy***

You **do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

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## 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ANTHONY BARTON

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 13.2 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
  - (b) The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons
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who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots;

- (c) A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election; and
- (d) In determining the number of Directors to retire, no account is to be taken of:
  - (i) a Director who only holds office until the next annual general meeting pursuant to clause 13.4 of the Constitution; and/ or
  - (ii) a Managing Director,

each of whom are exempt from retirement by rotation.

The Company currently has three Directors to whom the rotation clause applies and accordingly one must retire.

Mr Anthony Barton, the Director longest in office since his last election, retires by rotation and seeks re-election.

The members of the Board, other than Mr Barton, unanimously recommend the re-election of Mr Anthony Barton as a Director.

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#### 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – HUIPENG ZHANG

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Huipeng Zhang, is proposed to be appointed as an additional director of the Company on completion of the Tranche 1 Placement, and will retire at the Meeting in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 and being eligible seeks re-election.

**In the event completion of the Tranche 1 Placement does not occur prior to the date of the Meeting and consequently the appointment of Mr Huipeng Zhang also does not occur prior to the date of the Meeting the Chair proposes to withdraw Resolution 3. The Board retains the right under the Constitution to subsequently appoint Mr Huipeng Zhang as a director of the Company but such appointment shall only be valid until the Company's next annual general meeting at which point he will be eligible to seek re-election.**

The members of the Board, other than Mr Zhang, unanimously recommend the re-election of Mr Huipeng Zhang.

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## 5. RESOLUTION 4 – RATIFICATION OF SHARE ISSUE – TRANCHE 1

### 5.1 Background

On 26 August 2013, the Company announced it had agreed a private placement to raise \$1,402,000 to be completed in two tranches as follows:

- (a) 18,500,000 Shares at \$0.042 each (being the subject of Resolution 4 or alternatively Resolution 5) (**Tranche 1**); and
- (b) 12,500,000 Shares at \$0.05 each and 12,400,000 Options free attaching to the Shares on the basis of 2 Options for every 5 Shares subscribed for (being the subject of Resolution 6) (**Tranche 2**).

A term of this placement is that the investor has the right to appoint one person to the Board, being Mr Huipeng Zhang. This appointment is to occur after completion of the Tranche 1 Placement.

Prior approval pursuant to ASX Listing Rule 10.11 is not required for the Tranche 1 Placement as Jialong Trading Co Ltd and Sunwy International Ltd are entities controlled by Mr Huipeng Zhang, who is only a related party by virtue of the transaction which is the reason for the issue of the securities.

**At the date of this Notice the Tranche 1 Shares had not been issued but it is expected this will occur prior to the date of the Meeting. On this basis approval under ASX Listing Rule 7.4 is being sought (Resolution 4). However, in the event the issue is delayed until after the Meeting approval under ASX Listing Rule 7.1 is also sought (refer Resolution 5). The Chair proposes to withdraw either Resolution 4 or Resolution 5 depending on the timing of the issue of the Tranche 1 Shares.**

### 5.2 General

Ratification of the issue of the Tranche 1 Shares pursuant to the Tranche 1 Placement is now being sought.

The effect of Shareholders passing Resolution 4 will be to “refresh” the number of equity securities which the Company can issue within any 12 month period in accordance with ASX Listing Rule 7.1. This will allow the Company to raise further working capital of up to a maximum of 15% of the Company’s total issued Shares, without the need to obtain Shareholder approval prior to the capital raising.

### 5.3 Listing Rules information requirements

Listing Rule 7.1 provides that prior approval of shareholders is required for an issue of equity securities (or agreement to issue equity securities) if the equity securities will, when aggregated with the equity securities issued by a company during the previous 12 months, subject to specified exceptions, exceed 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of equity securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company’s members subsequently approve it.

Under Resolution 4, the Company seeks Shareholder approval for, and ratification of, the issue of the Tranche 1 Shares as set out below so as to restore the Company's capacity under Listing Rule 7.1 to issue further equity securities representing up to 15% of the Company's issued capital in the next 12 months.

For the purposes of the information requirements of Listing Rule 7.5, the following matters are noted:

- (a) 18,500,000 Shares will be issued;
- (b) the Tranche 1 Shares will be issued at a price of \$0.042 per Share;
- (c) all Tranche 1 Shares will rank equally with all other Shares on issue;
- (d) the Tranche 1 Shares will be issued to Jialong Trading Co Ltd and Sunwy International Ltd (or their nominees), companies associated with Mr Huipeng Zhang;
- (e) the placement of the Tranche 1 Shares will raise a total of \$777,000 and it is proposed that the funds raised by the Tranche 1 Placement will be used to provide working capital for the exploration for rare earths on the Company's Northern Territory tenements.

#### 5.4 Directors' recommendation

The Directors, except for Mr Huipeng Zhang, unanimously recommend that Shareholders vote in favour of Resolution 4 in order to provide the Company with the flexibility to raise additional funds in the future as and when required.

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## 6. RESOLUTION 5 – PLACEMENT – TRANCHE 1 SHARES

### 6.1 Background

**Resolution 5 is an alternate resolution to Resolution 4 whereby the Company seeks Shareholder approval for the purposes of ASX Listing Rule 7.1, for the same issue of Shares that is the subject of Resolution 4. As noted above, it is the Company's intention to finalise the Tranche 1 Placement between the date of this Notice and the date of the Meeting. If the Tranche 1 Placement occurs prior to the date of the Meeting, the Chair proposes to withdraw Resolution 5.**

### 6.2 General

Resolution 5 seeks Shareholder approval for the issue of 18,500,000 Shares at an issue price of \$0.042 per Share to raise \$777,000 (**Tranche 1 Placement**).

A summary of ASX Listing Rule 7.1 is set out in section 5.3 above.

The effect of Resolution 5 will be to allow the Company to issue the Shares pursuant to the Tranche 1 Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 6.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 1 Placement:

- (a) the maximum number of Shares to be issued is 18,500,000;
- (b) the Shares will be issued no later than 3 months 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) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.042 per Share;
- (d) the Shares will be issued to Jialong Trading Co Ltd and Sunwy International Ltd (or their nominees), companies associated with Mr Huipeng Zhang;
- (e) the 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 Company intends to use the funds raised from the Tranche 1 Placement towards working capital for the exploration for rare earths on the Company's Northern Territory tenements.

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## **7. RESOLUTION 6 – APPROVAL OF PROPOSED SHARE AND OPTION ISSUE – TRANCHE 2**

### **7.1 General**

In addition to the issue of the Tranche 1 Shares, the Company has agreed to, subject to the passing of this Resolution 6, issue the Tranche 2 Shares and Options (being 12,500,000 Shares and 12,400,000 Options) to Jialong Trading Co Ltd and Sunwy International Ltd (or their nominees), companies associated with Mr Huipeng Zhang, a proposed director of the Company at the date of this Notice and who will be a director of the Company by the time of the issue of Tranche 2 Shares and Options, on the terms and conditions set out below.

### **7.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11**

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 10.11 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 Tranche 2 Placement will result in the issue of Shares and Options which constitutes giving a financial benefit and Jialong Trading Co Ltd and Sunwy International Ltd are related parties of the Company by virtue of being entities which are controlled by a related party, Mr Huipeng Zhang.

The Directors (other than Mr Huipeng Zhang ,when appointed, who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Tranche 2 Placement because the terms of the subscription were negotiated at arm's length. However, Shareholder approval pursuant to ASX Listing Rule 10.11 is required as it is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### **7.3 Listing Rules information requirements**

For the purposes of the information requirements of Listing Rule 10.13, the following matters are noted:

- (a) the Shares and Options will be issued to Jialong Trading Co Ltd and Sunwy International Ltd (or their nominees);
- (b) the number of securities to be issued to Jialong Trading Co Ltd and Sunwy International Ltd (or their nominees) is:
  - (i) 12,500,000 Shares; and
  - (ii) 12,400,000 Options;
- (c) the Shares and Options 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) and it is intended that issue of the Shares and Options will occur on the same date;
- (d) the issue price will be \$0.05 per Share;
- (e) all Tranche 2 Shares issued rank equally with all other Shares on issue;
- (f) the Options will be issued for nil consideration, on the basis of two Options for every five Shares subscribed for in Tranches 1 and 2;
- (g) the terms and conditions of the Options are outlined in Schedule 1;
- (h) the placement of the Tranche 2 Shares proposes to raise a total of \$625,000 and the funds raised by the Tranche 2 Placement will be used to provide working capital for the exploration for rare earths on the Company's Northern Territory tenements.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Tranche 2 Placement as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares and Options to Jialong Trading Co Ltd and Sunwy International Ltd (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.

### **7.4 Directors' recommendation**

The Directors, except for Mr Huipeng Zhang, unanimously recommend that Shareholders vote in favour of Resolution 6.

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8. RESOLUTION 7 – SPILL RESOLUTION

*If less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw Resolution 7.*

8.1 General

The Corporations Act requirements for this Resolution to be put to vote are set out in Section 2.2.

The effect of this Resolution being passed is the Company will be required to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**) and the Vacating Directors will cease to hold office immediately before the end of the Spill Meeting. The business of the Spill Meeting will be to put to vote resolutions to appoint persons to offices vacated by the Vacating Directors.

In the event a Spill Meeting is required a separate notice of meeting will be distributed to Shareholders with details about those persons that will seek election as directors of the Company at the Spill Meeting.

8.2 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the voting restrictions set out in Section 2.4 apply in the same manner to this Resolution.

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## GLOSSARY

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**\$** means Australian dollars.

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

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

**ASX** means ASX Limited.

**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 TUC Resources Ltd (ACN 115 770 226).

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

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

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

**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.

**Managing Director** means the managing director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office.

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

**Option** means an option of the quoted class TUCO with the terms and conditions set out in Schedule 1.

**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 2013.

**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 holder of a Share.

**Tranche 1 Shares** means 18,500,000 Shares issued at an issue price \$0.042 per Share and **Tranche 1 Placement** has a corresponding meaning.

**Tranche 2 Shares** means 12,500,000 Shares to be issued at \$0.05 per Share and **Tranche 2 Placement** has a corresponding meaning.

**Vacating Directors** means the Directors who were directors of the Company when the resolution to make the directors' report considered at the last annual general meeting of the Company was passed, other than the Managing Director at that time.

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

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## SCHEDULE 1 – OPTION TERMS AND CONDITIONS

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The Options will entitle the holders to subscribe for Shares on the following terms:

- (a) Each Option entitles the holder to subscribe for and be allotted one Share.
- (b) The Options are exercisable at 20 cents each, payable in cash (**Exercise Price**).
- (c) The Options shall expire at 5.00pm WST on 15 August 2014 (**Expiry Date**).
- (d) Options not exercised on or before the Expiry Date will automatically lapse.
- (e) On an Option lapsing, all rights of the Option holder in respect of the Bonus Option cease and no consideration or compensation will be payable for or in relation to that lapse.
- (f) Following allotment of the Options, a transaction confirmation statement will be issued by the Company for the Options.
- (g) Subject to these conditions, Options may be exercised on or before the Expiry Date by the Option holder:
  - (i) lodging with the Company a Notice of Exercise signed by the Option holder for a parcel of not less than one thousand (1,000) except that if the Option holder holds less than one thousand (1,000) Bonus Options then such Bonus Options may be exercised; and
  - (ii) paying the Company the Exercise Price in respect of the Options exercised.

An exercise of Options will only be valid and effective once the Company has received, in cleared funds, the full amount of the Exercise Price payable.

- (h) A Notice of Exercise, once lodged with the Company, is irrevocable and by giving a Notice of Exercise the Option holder:
  - (i) agrees to subscribe for that number of Shares equivalent to the number of Options exercised in the Notice of Exercise;
  - (ii) agrees to be bound by the Constitution on the issue of Shares; and
  - (iii) without limiting any other clause in these conditions, must pay the Exercise Price in respect of the Options exercised at the time the Notice of Exercise is lodged with the Company.
- (i) Reminder notices will be forwarded to the Option holders prior to the Expiry Date.
- (j) The Options may be exercised in whole or in part.
- (k) For each Option that is exercised, the Company must issue to the Option holder one Share, credited as fully paid and, within 10 Business Days (or such other period as is required by the Listing Rules) after the date of exercise of the Option, issue (or cause to be issued) to the Option holder a holding statement or other appropriate evidence of title for each Share that is issued.

- (l) If an Option holder exercises only some of the Options held, the Company must issue (or cause to be issued) a holding statement or other appropriate evidence of title for each remaining Option held by the Option holder.
- (m) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the rights of the Option holder will be treated in the manner prescribed by the ASX Listing Rules applying to reconstructions at that time.
- (a) If:
  - (i) a takeover bid within the meaning of the Corporations Act is made for the Shares and the bidder becomes entitled to compulsorily acquire Shares, any Options not exercised by the end of the bid period will lapse; or
  - (ii) a court orders a meeting to be held in relation to a proposed scheme of arrangement under Part 5.1 of the Corporations Act in relation to the Company, which, if implemented, would result in a person having a relevant interest in at least 90% of Shares, any Options not exercised during the period that ends seven days after the date of the court order will lapse.
- (n) The Company will apply for Official Quotation by ASX of the Options.
- (o) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing Shares. The Company will apply for Official Quotation by the ASX of all Shares issued upon exercise of the Options.
- (p) 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, if from time to time on or prior to the Expiry Date the Company makes an issue of new Shares to Shareholders, the Company will announce the issue to ASX prior to the record date in accordance with the requirements of the ASX Listing Rules. This will give holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (q) There is no right to a change in the Exercise Price of the Options or to the number of Shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options.
- (r) Options are freely transferrable in accordance with the Corporations Act and the Constitution.
- (s) These conditions will be interpreted and applied in a manner that is consistent with the Listing Rules. If any of these conditions are inconsistent with the requirements of the Listing Rules, they may be amended by the Company to comply with the Listing Rules. The Company will advise Bonus Option Holders of any such amendments.

**PROXY FORM – ANNUAL GENERAL MEETING**

**APPOINTMENT OF PROXY  
TUC RESOURCES LTD  
ACN 115 770 226**

I/We

of

being a Shareholder entitled to attend and vote at the Meeting, hereby

appoint

Name of proxy

OR  the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 9:00 am, on 25 October 2013 at The Celtic Club, 48 Ord Street, West Perth WA, and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote other than Resolution 6 where, if entitled to vote, the Chair intends to vote against.**

<b>Voting on business of the Meeting</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1: Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Re-election of Director – Anthony Barton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Re-election of Director – Huipeng Zhang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4: Ratification of Share issue – Tranche 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5: Placement – Tranche 1 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6: Approval of proposed Share and Option issue – Tranche 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7: Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**Important for Resolutions 1 and 7**

If you have not directed your proxy how to vote as your proxy in respect of Resolutions 1 and 6 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolutions 1 and 7 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolutions 1 and 7 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolutions 1 and 7 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 and 7.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

**Signature of Shareholder(s):**

**Date:** \_\_\_\_\_

**Individual or Shareholder 1**

**Shareholder 2**

**Shareholder 3**




**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

## Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(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 should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to TUC Resources Ltd, 15 Lovegrove Close, Mount Claremont WA 6010; or
  - (b) facsimile to the Company on facsimile number +61 8 9284 3801; or
  - (c) email to the Company at [gboden@bigpond.net.au](mailto:gboden@bigpond.net.au);

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**