



---

## RESOURCES & ENERGY GROUP LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

---

**TIME:** 11.00am (AEST)

**DATE:** Wednesday 26 June 2019

**PLACE:** The offices of Arthur Phillip Pty Ltd  
Level 33  
52 Martin Place  
Sydney, New South Wales

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

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

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Warren Kember, on (+61 2) 9227 8900 or [communications@rezgroup.com.au](mailto:communications@rezgroup.com.au).*

*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 7.00pm (EDT) on 24 June 2019.*

---

## BUSINESS OF THE MEETING

---

### AGENDA

---

#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

---

#### 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 purpose 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 2018.”*

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

**Voting Prohibition Statement:**

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

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

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

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

---

#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – RICHARD POOLE

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

*“That, for the purpose of clauses 11.3 and 11.4 of the Constitution and for all other purposes, Richard Poole, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

---

#### 4. RESOLUTION 3 – SELECTIVE BUY-BACK

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

*“That, for the purposes of section 257D(1)(b) of the Corporations Act and for all other purposes, approval is given for the Company to conduct a selective buy-back on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by the Radio Shareholders (or their nominees) or 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 their proxy decides.

---

**DATED: 17 MAY 2019**

**BY ORDER OF THE BOARD**



**WARREN KEMBER  
COMPANY SECRETARY**

---

**Voting in person**

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

---

**Voting by proxy**

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

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

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

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

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

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Warren Kember, on (+61 2) 9227 8900 or [communications@rezgroup.com.au](mailto:communications@rezgroup.com.au).***

---

## EXPLANATORY STATEMENT

---

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.

---

### 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 2018 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 the ASX platform for "REZ" at [www.asx.com.au](http://www.asx.com.au).

---

### 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 directors or 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 the financial year ending 30 June 2018.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

#### 2.2 Voting consequences

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

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general 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 financial year ended immediately before the second annual general meeting) 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.

At the Company's previous annual general meeting no votes were cast against the remuneration report considered at that annual general meeting. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

---

### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR RICHARD POOLE

Clause 11.3 of the Constitution requires that 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, 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.

A Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election pursuant to clause 11.4 of the Constitution.

The Company currently has three Directors, and accordingly one must retire. Mr Poole, after stepping down as Managing Director and Chief Executive Officer during the year, will retire in accordance with clause 11.3 of the Constitution and being eligible, seeks re-election.

Mr Poole has been a Director since 12 July 2004. Mr Poole commenced his career as a lawyer specialising in mergers and acquisitions. He left the law in 1990 to build a research and development operation with operations in Japan, USA and Australia and added a manufacturing company in China in 1994. He successfully built the R&D company from its early stages to a public listed vehicle raising the necessary capital up to his departure in 1999. Since 1999 he has continued his involvement in fund raising and the development of companies. He is a principal of Arthur Phillip Pty Limited a corporate advisory firm providing investment services and he is an experienced corporate advisor and entrepreneur.

If elected the Board does not consider Mr Poole will be an independent director due to his substantial shareholding in the Company.

The Board unanimously supports the re-election of Mr Richard Poole as a Director and recommends that Shareholders vote in favour of Resolution 2.

---

### 4. RESOLUTION 3 – SELECTIVE BUY-BACK

#### 4.1 Background

On 12 January 2016, the Company announced it had agreed to acquire 100% of the issued capital in Radio Gold Pty Limited (formerly Brightsun Enterprises Pty Limited) (**Radio**), from the shareholders of Radio (**Radio Shareholders**) (**Radio Acquisition**).

The consideration payable upon settlement of the Radio Acquisition was comprised of:

- (a) a cash payment of \$250,000;
- (b) the issue of 7,500,000 Shares; and
- (c) the issue of 7,500,000 Shares which are subject to cancellation in the event that the gold mine owned by Radio (Radio Mine) does not generate \$1,000,000 in cash (after all costs incurred to produce the

income) within 24 months of commencement of mining operations (**Milestone Condition**) (**Milestone Shares**).

#### 4.2 Milestone Condition

The acquisition agreement provides that if the Milestone Condition is not satisfied, a portion of the Milestone Shares will, subject to Shareholder approval, be cancelled.

In June 2016, mining operations began with site preparatory work commencing on the Radio Mine. In the period from June 2016 until December 2018, although the Radio Mine achieved revenues of \$861,000, the Radio Mine incurred development costs of \$2,317,000 and operating costs of \$2,627,000, a total of \$4,944,000. The Radio Mine's net loss (including both development costs and operating costs) during the relevant period was therefore \$4,083,000.

Accordingly, it has been determined that the Milestone Condition has not been satisfied and the Company and each of the Radio Shareholders have agreed that all the Milestone Shares are to be bought-back and cancelled for nil consideration (**Buy-Back**).

Under Resolution 3, the Company is seeking Shareholder approval (as required by the Corporations Act) to implement the Buy-Back agreed.

#### 4.3 General

The Corporations Act provides that the rules relating to share buy-backs are designed to protect the interests of shareholders and creditors by:

- (a) addressing the risk of the transaction leading to the company's solvency;
- (b) seeking to ensure fairness between the shareholders of the company; and
- (c) requiring the company to disclose all material information.

Section 257A of the Corporations Act provides that a company may buy back its own shares if:

- (a) the buy-back does not materially prejudice the company's ability to pay its creditors; and
- (d) the company follows the procedures laid down in Division 2 of Part 2J.1 of the Corporations Act.

Section 257H(3) provides that immediately after the registration of the transfer to a company of shares bought back, the shares are cancelled.

The procedure to conduct a buy-back differs for each type of buy-back. The buy-back proposed by the Company is classified as a selective buy-back.

Pursuant to section 257D(1) of the Corporations Act, a selective share buy-back must be approved by either:

- (a) a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person whose shares are to be bought back or by their associates; or

- (b) a resolution agreed to, at a general meeting by all ordinary shareholders.

Pursuant to section 257D(2) of the Corporations Act, the Company must include with the Notice a statement setting out all information known to the Company that is material to the decision on how to vote on the Resolution. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company had previously disclosed the information to Shareholders.

Section 257H(3) of the Corporations Act provides that immediately after the registration of the transfer to a company of shares bought back, the shares are cancelled.

The Radio Acquisition and the selective buy-back of the Milestone Shares was approved by Shareholders on 24 March 2016. However, that approval was valid only for a period of 12 months from the date of the shareholder meeting. Accordingly, the Company is seeking a fresh Shareholder approval to conduct the Buy-Back.

#### **4.4 Summary of and effect of proposed Selective Buy-back**

The Corporations Act and ASIC Regulatory Guide 110 set out the information that a company is expected to disclose to shareholders in a notice of meeting. This information is set out below:

- (a) The Company has 302,222,070 Shares on issue as at the date of this Notice.
- (b) The number and percentage of Shares to be bought back are 7,500,000 Shares representing 2.48% of the Shares on issue at the date of this Notice.
- (c) No consideration is payable to the Radio Shareholders in respect of the Buy-Back. Accordingly the buy-back will not have a financial effect on the Company.
- (d) As noted above, the Company considers that the Milestone Condition is incapable of being met.
- (e) No Directors will participate in the Buy-Back.
- (f) The Directors believe the Buy-Back will have no effect on the cash reserves of the Company and will not impact in any way on the Company's ability to pay its creditors.
  - (i) the Buy-Back will not have an effect on the control of the Company; and
  - (ii) the Buy-Back will assist in achieving a more efficient capital structure for the Company.
- (g) The Buy-Back will increase the control of the substantial shareholders of the Company. In particular, the control of the Poole Parties will increase from 22.5% to 23.1% and the control of Gaffwick will increase from 22.6% to 23.1%. This falls within the maximum potential shareholding of the Poole Parties and Gaffwick which was approved pursuant to item 7 section 611 of the Corporations Act at the Shareholder meeting held on 21 December 2018.

(h) The Milestone Shares are held by the Radio Shareholders.

#### **4.5 Director's recommendation**

Based on the information available, including that contained in this Explanatory Statement, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3 as they consider the proposed Buy-Back to be in the best interests of Shareholders as, after assessment of the advantages and disadvantages referred to above, the Directors are of the view that the advantages outweigh the disadvantages.

The Directors confirm that they intend to vote in favour of Resolution 3 in relation to all votes that they control.

#### **4.6 Other material information**

There is no information material to the making of a decision by a Shareholder whether or not to approve Resolution 3, being information that is known to any of the Directors and which has not been previously disclosed to Shareholders, other than as disclosed in this Explanatory Statement.

Any material information relating to the Selective Buy-Back arising after the date of this Notice will be announced to the ASX.

---

## **5. ENQUIRIES**

Shareholders are requested to contact Mr Warren Kember on (+ 61 2) 9227 8900 or [communications@rezgroup.com.au](mailto:communications@rezgroup.com.au) if they have any queries in respect of the matters set out in these documents.

---

## GLOSSARY

---

**\$** means Australian dollars.

**AEST** means Australian Eastern Standard Time as observed in Sydney, New South Wales.

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

**ASX** means ASX Limited.

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

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

**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 Resources & Energy Group Limited (ACN 110 005 822).

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

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

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

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

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

**Group** means the Company and its subsidiary companies.

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

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

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

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

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2018.

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

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

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



Proxy Form  
Annual General Meeting – 26 June 2019

I/We

of:

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

Name:

OR:  the Chair of the Meeting 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 Level 33, 52 Martin Place Sydney, on 26 June 2019 at 11am, and at any adjournment thereof.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**

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

**CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES**

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of director – Richard Poole	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Selective Buy-Back	<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.

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

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

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

Contact name: \_\_\_\_\_

Contact ph (daytime): \_\_\_\_\_

E-mail address: \_\_\_\_\_

Consent for contact by e-mail  
in relation to this Proxy Form: YES  NO

**Instructions for completing 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 Resources & Energy Group Limited, Level 33, 52 Martin Place, Sydney, NSW, Australia, 2000;
  - (b) Email to [communications@rezgroup.com.au](mailto:communications@rezgroup.com.au); or
  - (c) facsimile to the Company on facsimile number +61 2 9227 8901,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.**