



ASX ANNOUNCEMENT

26 October 2015

## NOTICE OF ANNUAL GENERAL MEETING

VDM Group Limited's (**VDM**) 2015 Annual General Meeting will be held on Thursday, 26 November 2015, in the Matilda Bay Room at the Hyatt Regency Perth, 99 Adelaide Terrace, Perth, Western Australia at 9:30am.

The Notice of Meeting, Explanatory Memorandum, and Proxy Form have been mailed to shareholders today. Copies of these documents follow this announcement.

The 2015 Annual Report has also been mailed today to shareholders who elected to receive a printed copy. This document has also been previously lodged with the ASX and is available on VDM's website.

### For further information please contact:

Dr Dongyi Hua  
Managing Director & CEO  
VDM Group Limited  
(08) 9265 1100

Padraig O'Donoghue  
CFO & Company Secretary  
VDM Group Limited  
(08) 9265 1100

#### BOARD & MANAGEMENT

Mr Luk Hiuming  
NON-EXECUTIVE CHAIRMAN

Dr Dongyi Hua  
MANAGING DIRECTOR AND  
CHIEF EXECUTIVE OFFICER

Mr Michael Fry  
NON-EXECUTIVE DIRECTOR

Mr Velko (Vic) Jakovich  
NON-EXECUTIVE DIRECTOR

Mr Padraig O'Donoghue  
CHIEF FINANCIAL OFFICER  
COMPANY SECRETARY

#### REGISTERED OFFICE

Level 1  
Fortescue Centre  
30 Terrace Road  
East Perth, WA 6004

#### POSTAL ADDRESS

Locked Bag 8  
East Perth, WA 6892

#### CONTACT DETAILS

Tel: (08) 9265 1100

#### WEBSITE

[vdmgroup.com.au](http://vdmgroup.com.au)

#### SHARE REGISTRY

Computershare Investor  
Services Pty Limited  
GPO Box 2975  
Melbourne, VIC 3001  
Tel: 1300 850 505

#### ASX CODE

VMG



**VDM GROUP LIMITED**

ABN 95 109 829 334

**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY MEMORANDUM & PROXY FORM**

**Date of Meeting**

Thursday, 26 November 2015

**Time of Meeting**

9:30am (AWST)

**Place of Meeting**

Matilda Bay Room, Hyatt Regency Perth, 99 Adelaide Terrace, Perth, Western Australia

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## **Notice of Annual General Meeting**

VDM Group Limited (**VDM** or **the Company**) will hold its Annual General Meeting on Thursday, 26 November 2015 at 9:30am (AWST) at Matilda Bay Room, Hyatt Regency Perth, 99 Adelaide Terrace, Perth, Western Australia.

### **ORDINARY BUSINESS**

#### **1. Financial Report**

To receive the financial report, Directors' report and auditor's report for VDM and its controlled entities for the year ended 30 June 2015.

#### **2. Remuneration Report**

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

##### **Resolution 1**

*"That for the purposes of section 250(R) of the Corporations Act and for all other purposes, the Remuneration Report be adopted. The Remuneration Report is set out on pages 11 to 17 of the 2015 Annual Report to Shareholders."*

Please note that the vote on this Resolution is advisory only and does not bind the Directors or VDM.

**Voting exclusion: In accordance with section 250R(4) of the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel (details of whose remuneration are included in the Remuneration Report) or their Closely Related Parties. However, a person described above may vote on this Resolution 1 if the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1 or the person is the chair of the Meeting and the appointment of the chair as proxy does not specify the way the person is to vote on Resolution 1, and expressly authorises the chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.**

#### **3. Election of Mr Velko Jakovich as Director**

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

##### **Resolution 2**

*"That Mr Velko Jakovich, being a director who voluntarily retires in accordance with rule 8.1(f) of the Constitution to enable the Company to comply with Listing Rule 14.5 and, being eligible for election in accordance with rule 8.1(h) of the Constitution, is hereby elected as a Director."*

### **SPECIAL BUSINESS**

#### **4. Approval to issue shares to Seabank Resources, LDA.**

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

##### **Resolution 3**

*For the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the*

*Company to allot and issue to Seabank Resources, LDA. 650,000,000 Shares on the terms and conditions set out and as described in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 3 by Seabank Resources, LDA. and any of its Associates. However, the Company need not disregard a vote if it is cast by a person who is entitled to vote, in accordance with the directions on the Proxy Form or 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.

## **5. Approval of Future Placement Shares**

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

### **Resolution 4**

*“That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 1,500,000,000 Shares within three months from the date of this Meeting, at a price not lower than 80% of the volume weighted average market price of the Shares over the five days on which sales were recorded before the day on which the issue will be made, for the purposes and on the terms and conditions set out and as described in the Explanatory Memorandum accompanying this Notice of Annual General Meeting.”*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 4 by a person who may participate in the issue of the Future Placement Shares (and any Associates of such a person) and who might obtain a benefit (and any Associates of such a person), except a benefit solely in the capacity of a holder of Shares, if Resolution 4 is passed. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form or it is cast by the chair 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.

## **6. Approval of 10% Enhanced Placement Facility**

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

### **Resolution 5**

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”*

**Voting Exclusion:** The Company will disregard any votes cast on Resolution 5 by a person who may participate in the 10% Enhanced Placement Facility (and any Associates of such a person) and who might obtain a benefit (and any Associates of such a person), except a benefit solely in the capacity of a holder of Shares, if Resolution 5 is passed. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form or it is cast by the chair 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.

## **Explanatory Memorandum**

The Explanatory Memorandum accompanying this Notice is incorporated in and comprises part of this Notice.

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

## **Voting by proxy**

A Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy. A proxy may be, but need not be, a Shareholder. A Shareholder 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, but where the proportion or number is not specified, each proxy may exercise half of the votes. For details on how to complete and lodge the Proxy Form, please refer to the instructions on the Proxy Form.

Shareholders should complete the Proxy Form that accompanies this Notice and Explanatory Memorandum, and return it by mail, in person or by facsimile. Shareholders can also submit their proxy voting instructions online or by using a mobile device. Please refer to the Proxy Form for more information about submitting your proxy voting instructions online or from your mobile device.

Custodians and nominees are able to submit their proxy voting instructions online by accessing this website: [www.intermediaryonline.com](http://www.intermediaryonline.com).

Proxy Forms must be returned or submitted by 9:30am (AWST) on 24 November 2015 to be effective. Any Proxy Form received after that time will not be valid for the Meeting.

As stated on the Proxy Form accompanying this Notice, the chair intends to vote available proxies in favour of the Resolutions.

## **Proxy voting on Resolution 1 (Remuneration Report)**

If you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report (other than the chair) or any Closely Related Party of that member as your proxy to vote on Resolution 1, you must direct the proxy how they are to vote. Where you do not direct the member of Key Management Personnel whose remuneration details are included in the Remuneration Report (other than the chair) or a Closely Related Party of that member, how to vote on Resolution 1, your vote will not be counted in determining the required majority for Resolution 1.

If the chair of the Meeting is appointed as your proxy (whether by appointment or by default) and you have not given directions on how to vote by completing the appropriate box in the voting directions section of the Proxy Form for Resolution 1, by signing and returning the Proxy Form you will be expressly authorising the chair of the Meeting to cast your votes in accordance with the chair's intention. The chair intends to vote in favour of Resolution 1.

## **Documents and Proxy Forms may be lodged:**

BY MAIL                      Computershare Investor Services Pty Limited  
GPO Box 242, Melbourne VIC 3001, Australia

BY FAX                        1800 783 447 (within Australia)  
+61 3 9473 2555 (outside Australia)

By HAND:                           Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace, Perth WA 6000, Australia

**Proxy Forms may be also be submitted:**

ONLINE                               www.investorvote.com.au

BY MOBILE                         Scan the QR Code on the Proxy Form and follow the prompts

CUSTODIAN VOTING   For Intermediary Online subscribers only (custodians) please visit  
www.intermediaryonline.com to submit your voting intention.

**Entitlement to vote**

The Company may specify a time, not more than 48 hours before the Meeting, at which a “snapshot” of Shareholders will be taken for the purposes of determining Shareholder entitlement to vote at the Annual General Meeting.

The Directors have determined that all Shares registered at 4.00pm (AWST) on 24 November 2015 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the person registered as holding the Shares at that time.

**Voting in person**

To vote in person, attend the Annual General Meeting on the date and at the place set out above. Shareholders are asked to arrive at the venue 10 minutes prior to the time designated for the Meeting, if possible, so that the Company may check their Shareholding against the Company’s share register and note attendances.

**Voting by corporate representative**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Annual General 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’s Share Registrar in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative. A corporate representative form may be requested from the Company’s registry if required.

**By order of the Board of Directors**



Padraig O'Donoghue  
Company Secretary  
VDM Group Limited

Dated 21 October 2014

## **Explanatory Memorandum**

### **Purpose of this Explanatory Memorandum**

This document is important. It provides Shareholders with necessary information to assist them in deciding how to vote on the Resolutions to be considered at the Meeting. This Explanatory Memorandum does not take into account the individual investment objectives, financial situation and particular needs of Shareholders or any other person. Accordingly, it should not be relied upon as the sole basis for any decision in relation to the Resolutions.

You should read this Explanatory Memorandum in its entirety before making a decision as to how to vote at the Meeting.

If you have any doubt as to what you should do once you have read this Explanatory Memorandum, you should consult your legal, financial or other professional adviser.

### **Forward looking statements**

Certain statements in this Explanatory Memorandum relate to the future. Those statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by those statements. These statements reflect views only as at the date of this Explanatory Memorandum.

While VDM believes that the expectations reflected in the forward looking statements in this document are reasonable, neither the Company nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Explanatory Memorandum will actually occur and you are cautioned not to place undue reliance on those forward looking statements.

### **Notice to persons outside Australia**

This Explanatory Memorandum has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other countries.

### **Disclaimer**

No person is authorised to give any information or make any representation in connection with the Resolutions which is not contained in this Explanatory Memorandum. Any information or representation not contained in this Explanatory Memorandum may not be relied on as having been authorised by VDM or the Directors in connection with the Resolutions.

### **Responsibility for information**

The information concerning the Company contained in this Explanatory Memorandum including information as to the views and recommendations of the Directors has been prepared by the Company and is the responsibility of the Company.

### **ASIC and ASX involvement**

A copy of this Explanatory Memorandum has been lodged with ASX pursuant to the Listing Rules. Neither ASIC or ASX nor any of their respective officers takes any responsibility for the contents of this Explanatory Memorandum.

### **Definitions**

Capitalised terms used in this Explanatory Memorandum are defined in the glossary in section 8 of this Explanatory Memorandum.



19 October 2015

Dear Fellow Shareholder,

I am pleased to enclose an Explanatory Memorandum containing information regarding the Resolutions to be considered at the Annual General Meeting.

The Directors encourage you to participate in the vote. You can vote in person at the Annual General Meeting on Thursday, 26 November 2015 or, if you cannot attend the Meeting in person, you can vote by proxy or through an assigned power of attorney or corporate representative using the proxy form enclosed with the Explanatory Memorandum.

If you have any questions about the Resolutions, you should consult your independent financial, legal and/or tax adviser.

Yours faithfully



Dr Hua Dongyi  
Managing Director and Chief Executive Officer  
VDM Group Limited

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## 1. Frequently asked questions (FAQs)

<p><b>Why did I receive this document?</b></p>	<p>This document contains information relating to the Resolutions to be considered at the Annual General Meeting on Thursday, 26 November 2015.</p> <p>Transactions of this importance require your approval at a general meeting of Shareholders before they can be implemented.</p> <p>The information set out in this document will assist you, as a Shareholder, to decide how you wish to vote on the Resolutions.</p>
<p><b>Resolution 3</b></p>	
<p><b>What is Resolution 3 asking me to vote on?</b></p>	<p>Shareholders are being asked to vote on a resolution to approve the allotment and issue of the Seabank Shares to Seabank, pursuant to completion of the Acquisition.</p>
<p><b>Why is my approval required?</b></p>	<p>The Company will only be able to issue the Seabank Shares to Seabank in the following circumstances:</p> <ul style="list-style-type: none"> <li>• the Seabank Shares are able to be issued under the Company's 15% annual placement capacity and the Enhanced Placement Facility (should Resolution 5 be approved); or</li> <li>• Shareholders approve the issue of the Seabank Shares to Seabank pursuant to Resolution 3.</li> </ul> <p>The Board is seeking your approval to issue the Seabank Shares to Seabank under Listing Rule 7.1 so that the Company maintains flexibility to issue Shares within its 15% annual placement capacity and the 10% Enhanced Placement Facility (should Resolution 5 be approved) following completion of the Acquisition.</p>
<p><b>If Resolution 3 is approved what will happen?</b></p>	<p>If Resolution 3 is approved by Shareholders, VDM will be able to issue the Seabank Shares to Seabank without using the Company's 15% annual placement capacity under the Listing Rules or the 10% Enhanced Placement Facility (should Resolution 5 be approved).</p>
<p><b>If Resolution 3 is not approved what will happen?</b></p>	<p>If Resolution 3 is not approved by Shareholders, VDM will only be able to issue the Seabank Shares to Seabank using the Company's 15% annual placement capacity under the Listing Rules and the 10% Enhanced Placement Facility (should Resolution 5 be approved).</p>
<p><b>Why should I vote to approve the issue of Shares to Seabank?</b></p>	<p>Approving Resolution 3 ensures that the Company maintains flexibility to issue Shares within its 15% annual placement capacity and the 10% Enhanced Placement Facility (should Resolution 5 be approved) following completion of the</p>

	Acquisition.
<b>Resolution 4</b>	
<b>What is Resolution 4 asking me to vote on?</b>	Shareholders are being asked to vote on a resolution to approve the allotment and issue of the Future Placement Shares to sophisticated and professional investors who are not Related Parties or Associates of Related Parties of the Company.
<b>Why is my approval required?</b>	<p>The Company expects net cash flow from operating activities to be negative in the first half of the 2016 financial year. As such, depending when the Conditions in relation to the Copper Project Agreement are satisfied and completion of the Acquisition occurs, additional funds will be required to meet the Company's ordinary operating costs, the payment of Cash Consideration to Seabank, and any short term costs associated with the Acquisition.</p> <p>The Company will seek to raise such capital promptly following the Meeting. Approving the issue of the Future Placement Shares will allow VDM to raise capital without using its 15% annual placement capacity or, assuming Resolution 5 is approved, any of its 10% Enhanced Placement Facility. This will provide additional flexibility to the Company to ensure that it is able to meet its short and longer term obligation and operating costs.</p>
<b>If Resolution 4 is approved what will happen?</b>	If Resolution 4 is approved by Shareholders, VDM will be able to issue the Future Placement Shares without using the Company's 15% annual placement capacity under the Listing Rules or, assuming that Resolution 5 is approved, the 10% Enhanced Placement Facility.
<b>If Resolution 4 is not approved what will happen?</b>	If Resolution 4 is not approved by Shareholders, any capital raising that VDM seeks to undertake will either have to be within the Company's 15% annual placement capacity under the Listing Rules or, assuming that Resolution 5 is approved, the 10% Enhanced Placement Facility, or subject to shareholder approval. This will reduce the flexibility for the Company to raise funds in the future.
<b>Why should I vote to approve the issue of the Future Placement?</b>	If Resolution 4 is approved, it will give the Company the opportunity to raise funds without using the Company's 15% annual placement capacity under the Listing Rules or, assuming that Resolution 5 is approved, the 10% Enhanced Placement Facility. This will ensure that the Company retains additional flexibility to raise funds in the future without Shareholder approval.
<b>Resolution 5</b>	
<b>What is Resolution 5 asking me to vote on?</b>	Shareholders are being asked to vote on a resolution to approve the Company's ability to issue Equity Securities under

	the 10% Enhanced Placement Facility.
<b>Why is my approval required?</b>	See section 7 for the reasons Shareholder approval is required.
<b>If Resolution 5 is approved what will happen?</b>	If Resolution 5 is approved, the Directors will be able to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.
<b>If Resolution 5 is not approved what will happen?</b>	If Resolution 5 is not approved, VDM will be unable to use the 10% Enhanced Placement Facility to issue Equity Securities during the 12 month period after the date of the Meeting.
<b>Why should I vote to approve the 10% Enhanced Placement Facility?</b>	<p>If Resolution 5 is approved, it will provide the Company with the opportunity to issue Equity Securities under the 10% Enhanced Placement Facility for the following purposes:</p> <ul style="list-style-type: none"> <li>• non-cash consideration for the acquisition of new resources, assets or investments; or</li> <li>• cash consideration, with such funds raised to be used for the continued exploration and feasibility study expenditure on the Company's portfolio of assets/or general working capital.</li> </ul>
<b>General questions</b>	
<b>How does the Board recommend that I vote on the Resolutions?</b>	<p>The Board recommends that Shareholders vote in favour of the Resolutions.</p> <p>Each Director who holds Shares in VDM (or whose associated entities hold Shares) and is entitled to vote intends to vote those Shares in favour of the Resolutions.</p>
<b>When and where will the Meeting be held?</b>	The Meeting will take place on Thursday, 26 November 2015 at 9:30am (AWST) at Matilda Bay Room, Hyatt Regency Perth, 99 Adelaide Terrace, Perth, Western Australia, Perth, Western Australia.
<b>Who can vote?</b>	<p>In accordance with the <i>Corporations Regulations 2001</i> (Cth), the Board has determined that the Shareholders entitled to attend and vote at the Meeting shall be those persons who are recorded in VDM's register of members at 4.00pm (AWST) on 24 November 2015.</p> <p>In accordance with the Corporations Act, the Resolutions to be put to the Meeting have voting exclusion statements. These voting exclusion statements are set out in this Explanatory Memorandum.</p>

<p><b>What is the voting approval threshold?</b></p>	<p>Save for Resolution 5, the Resolutions being put to Shareholders are ordinary resolutions, requiring simple majority approval (i.e. more than 50% of votes cast by Shareholders entitled to vote on Resolutions must be cast in favour).</p> <p>Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).</p>
<p><b>Is voting compulsory?</b></p>	<p>Voting is not compulsory, though your vote is important. If you cannot attend the Meeting to be held on Thursday, 26 November 2015, you are strongly encouraged to complete and return the Proxy Form that is enclosed with this document.</p> <p>If you are an overseas Shareholder and hold your Shares through a broker or nominee holder, you should contact them as soon as possible to instruct them to vote on your behalf.</p> <p>If you require any assistance in completing or lodging your proxy, please contact your financial or other professional advisor.</p>

## 2. VDM's Financial Report

The financial report, Directors' report and auditor's report for VDM for the year ended 30 June 2015 will be laid before the meeting. There is no requirement for Shareholders to approve these reports. However, the chair of the meeting will allow a reasonable opportunity for Shareholders to ask questions about the conduct of the audit and the content of the auditor's report.

Further, written questions to the chairman about the management of VDM or to VDM's auditor about the content of the auditor's report and the conduct of the audit may be submitted no later than 3:00pm (AWST) on 19 November 2015 to:

Padraig O'Donoghue  
Company Secretary  
VDM Group Limited  
Locked Bag 8,  
East Perth, WA 6892

Facsimile: (08) 9265 1199

Email: padraig.odonoghue@vdmgroup.com.au

## 3. Resolution 1 - Remuneration Report

### 3.1. Background

The Remuneration Report is set out in the Directors' report in the Annual Report, which is available from the Company's website at [www.vdmgroup.com.au](http://www.vdmgroup.com.au).

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and executives of the Company.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company at the Annual General Meeting. However, Shareholders should note that the vote on Resolution 1 is advisory only and is not binding on the Company or its Directors.

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

The chairman of the Annual General Meeting will allow reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the Meeting.

### **3.2. Board recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

### **3.3. Voting exclusion**

In accordance with section 250R(4) of the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel (details of whose remuneration are included in the Remuneration Report) or their Closely Related Parties.

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

- the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- the person is the chair of the Meeting and the appointment of the chair as proxy does not specify the way the person is to vote on Resolution 1, and expressly authorises the chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **4. Resolution 2 - Election of Mr Velko Jakovich as a Director**

Resolution 2 relates to the election of Mr Velko Jakovich as a Director.

Listing Rule 14.5 requires the Company to hold an election of Directors each year. Mr Jakovich has volunteered to offer himself for re-election in accordance with rule 8.1(f) of the Constitution to enable the Company to comply with Listing Rule 14.5.

Mr Jakovich will retire as a Director at the conclusion of the Meeting in accordance with Listing Rule 14.5 and rule 8.1(f) of the Constitution, and being eligible, has offered himself for re-election at the Meeting.

Mr Jakovich has held executive positions including Managing Director of Stulz Australia Pty Ltd, Treasurer, Deputy Chair and Chair of Villa Dalmacia Nursing Home and Non-executive positions as a Board Member of the St John of God Foundation for seven years and the Chair of the steering committee to develop a case for raising \$20 million towards the construction of the \$50 million Comprehensive Cancer Centre at St John of God Campus Subiaco, and Non-Executive Director of Stulz Australia Pty Ltd. Mr Jakovich is a senior partner in Jako Industries Pty Ltd and is its Managing Director.

### **4.1. Board Recommendation**

The Board, other than Mr Velko Jakovich, who has an interest in the outcome of Resolution 2, recommends that Shareholders vote in favour of Resolution 2.

## **5. Resolution 3 - Approval to issue the Seabank Shares to Seabank**

### **5.1. Application of Listing Rule 7.1**

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an option) if the number of those securities exceeds 15% of the total ordinary securities on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders in a general meeting pursuant to item 7 of section 611 of the Corporations Act (see Listing Rule 7.2 exception 16). The proposed issue of the Seabank Shares to Seabank is being approved under this section and accordingly the exception applies in relation to that issue.

## **5.2. Reasons for seeking Shareholder approval**

### **(a) The Copper Project Agreement and Acquisition**

On 29 September 2014, VDM announced its entry into a Copper Project Agreement to acquire the Participating Interest in the Project. A detailed description of the proposed Acquisition are set out in the 2014 Notice of Annual General Meeting.

As detailed in the 2014 Notice of Annual General Meeting and the Company's subsequent announcements to ASX, the obligation of the Company to complete the Acquisition is subject to the satisfaction or waiver of the following conditions:

- (a) VDM obtaining all necessary approvals of Shareholders in respect to the transactions contemplated by the Copper Project Agreement; and
- (b) VDM, Pebric and Seabank and the Angolan State agreeing and executing the Mineral Investment Contract,  
  
(the **Conditions**).

The consideration payable by the Company to acquire the Participating Interest consists of:

- (a) the issue 650,000,000 Shares each at an issue price of \$0.015 to be issued to Seabank in accordance with the terms of the Copper Project Agreement (the **Seabank Shares**); and
- (b) the payment of \$4,875,000 to Seabank (Cash Consideration).

### **(b) Prior approval in relation to the issue of the Seabank Shares**

In accordance with the Conditions, Shareholder approval pursuant to, amongst other things, ASX Listing Rule 7.1 was obtained at the 2014 Annual General Meeting for the issue of the Seabank Shares.

As required by Listing Rule 7.3.2, the 2014 Notice of Annual General Meeting included statements in relation to the issue of the Seabank Shares confirming that VDM would *"issue and allot the Seabank Shares no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow)."* As shareholder approval was obtained on 28 November 2014, in order to comply with ASX Listing Rules 7.3.2 and 14.7, VDM was required to issue the Seabank Shares on or before 28 February 2015. On 26 May 2015, ASX granted VDM a waiver extending this time period to 31 July 2015. VDM was granted a further waiver by ASX on 29 July 2015 (**Current ASX Waiver**) which further extended the the time period for the issue of the Seabank Shares to the earlier of:

- (a) the Annual General Meeting; or
- (b) 30 November 2015.

As announced to ASX on 29 September 2015, VDM, Pebric and Seabank have concluded negotiations of the Mineral Investment Contract with the MGM and are currently in the process of drafting several annexures that will form an integral part of the Mineral Investment Contract that will be submitted for approval and signature by the MGM. Accordingly, the Acquisition remains subject to the satisfaction of this



Condition.

**(c) Why is approval required?**

There is a possibility that VDM will not be able to issue the Seabank Shares to Seabank by the Annual General Meeting as contemplated by the Current ASX Waiver. Therefore, the Board is seeking Shareholder approval in accordance with Listing Rule 7.3 to issue the Seabank Shares to Seabank under Listing Rule 7.1 so that the Company maintains flexibility to issue Shares within its 15% annual placement capacity and the 10% Enhanced Placement Facility (should Resolution 5 be approved) following the issue of Share to Seabank.

**5.3. Specific information required by Listing Rule 7.3**

Listing Rule 7.3 sets out a number of matters which must be included in a notice of meeting requesting shareholder approval under Listing Rule 7.1. In accordance with Listing Rule 7.3, the following information is provided to Shareholders to assist them to assess whether to approve Resolution 3:

- (a) The maximum number of Shares to be issued.  
  
The maximum number of Shares that the Company intends to issue under Resolution 3 is 650,000,000.
- (b) The date by which the Company will issue the Shares.  
  
The Company will issue and allot the Shares no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (c) The issue price of the Shares.  
  
The Shares each have a notional issue price of \$0.015.
- (d) The name of the person to be issued the Shares.  
  
Seabank Resources, LDA.
- (e) The terms of the Shares.  
  
The Shares are fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) The intended use of the funds raised.  
  
The Shares will be issued to Seabank, as part of the consideration for the acquisition of the Participating Interest and as such, no funds will be raised from the issue.
- (g) The issue date.  
  
The Company expects to issue the shares on one date in accordance with the terms of the Copper Project Agreement.
- (h) A voting exclusion statement.  
  
A voting exclusion statement in respect of Resolution 3 is set out in section 5.5 of the Explanatory Memorandum.

**5.4. Directors recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

The Directors consider that the Acquisition is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 3.

Each Director who holds Shares (or whose associated entities hold Shares) and is entitled to vote intends to vote those shares in favour of Resolution 3.

### 5.5. Voting exclusion

For the purposes of Listing Rules 7.1, and for all other purposes, the Company will disregard any votes cast on Resolution 3 by Seabank and any of its Associates.

However, the Company will not disregard a vote if:

- it is cast by a person as 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.

## 6. Resolution 4 – Approval of Future Placement Shares

### 6.1. Background

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of up to 1,500,000,000 Shares within three months of the date of the Meeting each at an issue price of not less than 80% of the VWAP of Shares for the last five days on which sales of the Shares are recorded before the day on which the issue will be made (**Future Placement Shares**) to sophisticated and professional investors who are not Related Parties or Associates of Related Parties of the Company (**Future Placement**).

The dilution to the interests of existing Shareholders as a result of the issue of the Future Placement Shares is set out in the table below:

	% Dilution (based on current issued share capital)	% Dilution (based on issued share capital following the issue of the Seabank Shares)
<b>750,000,000 Shares issued (50% of the Future Placement Shares)</b>	15.54%	13.69%
<b>1,500,000,000 Shares issued (100% of the Future Placement Shares)</b>	31.07%	27.38%

### 6.2. Rationale

Funds will be required to meet the Company's ordinary operating costs and for growth, including for the Acquisition and for subsequent exploration and feasibility costs associated with the Acquisition. The Company will seek to raise such capital following the Meeting.

If Resolution 4 is approved, the Company will seek to raise such funds by making a placement of Future Placement Shares and without using the Company's 15% annual placement capacity or (assuming Resolution 5 is approved), the Company's 10% Enhanced Placement Facility. This will allow the Company

to retain additional flexibility to raise funds in the future to meet the Company's ongoing operating and growth costs without the need for shareholder approval.

### **6.3. Application of Listing Rule 7.1**

A summary of the application of Listing Rule 7.1 is set out in section 5.1 of this Explanatory Memorandum.

### **6.4. Specific information required by Listing Rule 7.3**

Listing Rule 7.3 sets out a number of matters which must be included in a notice of meeting requesting shareholder approval under Listing Rule 7.1. In accordance with Listing Rule 7.3, the following information is provided to Shareholders to assist them to assess whether to approve Resolution 4:

- (a) The maximum number of Shares to be issued.  
  
The maximum number of Shares that the Company intends to issue under Resolution 4 is 1,500,000,000.
- (b) The date by which the Company will issue the Future Placement Shares.  
  
The Company will issue and allot the Future Placement Shares no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (c) The issue price of the Future Placement Shares.  
  
The Future Placement Shares will each be allotted at an issue price of not less than 80% of the VWAP of Shares for the last five days on which sales of the Shares are recorded before the day on which the issue will be made, or if there is a disclosure document relating to the issue, 80% of the VWAP of Shares over the last 5 days on which sales of Shares were recorded before the disclosure document is signed.
- (d) The name of the person.  
  
At the Board's discretion, the Future Placement Shares will be issued to sophisticated and professional investors who are not Related Parties or Associates of Related Parties of the Company, subject to compliance with the Corporations Act and the Listing Rules, including but not limited to any sophisticated investors who have already signed conditional share placement agreements with VDM prior to the date of the AGM.
- (e) The terms of the Future Placement Shares.  
  
The Future Placement Shares will be fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) The intended use of the funds raised.  
  
It is intended that the funds raised will be used by the Company to strengthen the Company's balance sheet, to provide necessary working capital to the business, and for business growth including to meet any costs associated with the Acquisition and to provide funding for exploration and feasibility related to the Acquisition.
- (g) The issue date.  
  
The Company intends to issue the Future Placement Shares progressively on such dates when the Company completes any capital raisings following the Meeting and in accordance with any agreements contemplated by those capital raisings.

- (h) A voting exclusion statement.

A voting exclusion statement in respect of Resolution 4 is set out in section 6.6 of the Explanatory Memorandum.

## **6.5. Directors' recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

Each Director who holds Shares in VDM (or whose associated entities hold Shares) and is entitled to vote intends to vote those Shares in favour of Resolution 4.

## **6.6. Voting exclusion**

For the purposes of Listing Rule 7.1, and for all other purposes, the Company will disregard any votes cast on Resolution 4 by any person who will participate in the Future Placement on and any Associate of such person.

However, the Company will not disregard a vote if:

- it is cast by a person as 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.

## **7. Resolution 5 - Approval of 10% Enhanced Placement Facility**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Enhanced Placement Facility**). The 10% Enhanced Placement Facility is in addition to the Company's 15% placement capacity without shareholder approval under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less as at the date of the annual general meeting. The Company is an eligible entity as at the time of this Notice and expects to remain so at the date of the AGM.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Enhanced Placement Facility. The exact number of Equity Securities to be issued under the 10% Enhanced Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see section 7.1(c) below).

The effect of Resolution 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1. Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### **7.1. Background**

#### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Enhanced Placement Facility is subject to Shareholder approval by way of a special resolution at the Annual General Meeting.

## **(b) Equity Securities**

Any Equity Securities issued under the 10% Enhanced Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of the Notice, the Company's Shares are the only class of Equity Securities on issue. The Shares are the only class of Equity Securities that are quoted.

## **(c) Formula for calculating 10% Enhanced Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

### **(A x D) – E**

**A** is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid Shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid Shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid Shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

## **(d) Listing Rule 7.1 and Listing Rule 7.1A**

A summary of the application of Listing Rule 7.1 is set out in section 5.1 of this Explanatory Memorandum.

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity without shareholder approval under Listing Rule 7.1.

At the date of this Notice, the Company has 4,827,660,952 Shares on issue. Therefore subject to Shareholder approval the Company will have a capacity to issue:

- (i) 724,149,142 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under Resolution 5, 482,766,095 Equity Securities under Listing Rule 7.1A.1

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (see section 7.1(c) above) and so is subject to change (including as a result of the issue

of Shares to Seabank and Tian Tian contemplated in this Explanatory Memorandum).

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

Shareholder approval of the 10% Enhanced Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

**7.2. Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Enhanced Placement Facility as follows:

- (a) Minimum price of securities issued under the 10% Enhancement Placement Facility

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

If the Equity Securities are issued for non-cash consideration the Company will provide to the market, in accordance with the Listing Rules, a valuation of the non-cash consideration that demonstrates that the issue price of the securities complies with Listing Rule 7.1A.3.

- (b) Risk of economic and voting dilution

If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Enhanced Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

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

Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the potential dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities (being variable "A" as calculated in accordance with the formula in Listing Rule 7.1A.2) on issue as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Enhanced Placement Facility.
- (ii) No Options or Rights are issued, vest and are exercised before the date of the issue of the Equity Securities.
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on the Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issues of Equity Securities under the 10% Enhanced Placement Facility consists only of Shares.
- (vii) The issue price is \$0.01, being the closing price of the Shares on ASX on 20 October 2014.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.005 50% decrease in Issue Price	\$0.010 Issue price	\$0.020 100% increase in Issue Price
<b>Current Variable A</b>	<b>10% Voting Dilution</b>	482,766,095 Shares	482,766,095 Shares	482,766,095 Shares
<b>4,827,660,952 Shares</b>	<b>Funds raised</b>	\$2,413,830.48	\$4,827,660.95	\$9,655,321.90
<b>50% increase in in current Variable A</b>	<b>10% Voting Dilution</b>	724,149,142 Shares	724,149,142 Shares	724,149,142 Shares
<b>7,241,491,428 Shares</b>	<b>Funds raised</b>	\$3,620,745.71	\$7,241,491.42	\$14,482,982.84
<b>100% increase in current Variable A</b>	<b>10% Voting Dilution</b>	965,532,190 Shares	965,532,190 Shares	965,532,190 Shares
<b>9,655,321,904 Shares</b>	<b>Funds raised</b>	\$4,827,660.95	\$9,655,321.90	\$19,310,643.80

- (c) The final date for issue

The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

- (d) Purpose of issue under 10% Enhanced Placement Facility

The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of the new resources, assets or investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards continued exploration and feasibility study expenditure on the Company's portfolio of assets and/or general working capital.

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

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Enhanced Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;



- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Enhanced Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not Related Parties or Associates of a Related Party of the Company.

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

- (e) As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6, regarding the Equity Securities issued in the previous 12 months preceding the date of the Meeting (that is, since 26 November 2014):

- (i) Total Equity Securities issued in previous 12 months:

Number of Equity Securities on issue on at commencement of 12 month period	3,127,660,952 Shares
Equity securities issued in prior 12 month period*	1,700,000,000 Shares
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	54.35% increase in Shares

- (ii) The details of all issues of Equity Securities by the Company during the 12 months preceding the 2015 Annual General Meeting are as follows:

Date of issue:	3 December 2014
Number issued:	250,000,000
Class/Type of equity security:	Shares
Summary of terms:	The Shares rank equally in all respects with existing Shares on issue
Names of persons who received securities or basis on which those persons was determined:	Sino Plant Holding Limited
Price at which equity securities were issued:	\$0.012
Discount to market price (if any):	No discount (closing price on issue date was \$0.01)
Total cash consideration:	\$3,000,000
The amount of the cash consideration used and what cash consideration was spent on:	The Company used all of the cash consideration to strengthen the Company's balance sheet and provide necessary working capital to the business.
Date of issue:	1 December 2014
Number issued:	1,450,000,000
Class/Type of equity security:	Shares
Summary of terms:	The Shares rank equally in all respects with existing Shares on issue

Names of persons who received securities or basis on which those persons was determined:	Australia Kengkong Investments Co Pty Ltd <b>(Kengkong)</b>
Price at which equity securities were issued:	\$0.01
Discount to market price (if any):	No discount (closing price on issue date was \$0.01)
Total cash consideration:	Nil
The amount of the cash consideration used and what the cash consideration was spent on:	The Shares were issued for purpose of the conversion of convertible loan and facility agreements between the Company and Kengkong dated 5 May 2014 and 22 September 2014.

(f) Voting exclusion statement

A voting exclusion statement in respect of Resolution 5 is set out in section 7.4 of the Explanatory Memorandum.

### **7.3. Directors' recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

Each Director who holds Shares in VDM (or whose associated entitled hold Shares) and is entitled to vote intends to vote those Shares in favour of Resolution 5.

### **7.4. Voting exclusion**

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the 10% Enhanced Placement Facility and proposed allottees of any Equity Securities are therefore not as yet known or identified. The Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## 8. Glossary

For the purposes of this Notice of Annual General Meeting and the Explanatory Memorandum, the following definitions apply:

**"10% Enhanced Placement Facility"** has the meaning given in section 7 of the Explanatory Memorandum;

**"10% Placement Period"** has the meaning given in section 7.1(f) of the Explanatory Memorandum;

**"2014 Annual General Meeting"** means the annual general meeting of the Company held on 28 November 2014;

**"2014 Notice of Annual General Meeting"** means the notice of 2014 Annual General Meeting;

**"Accounting Standards"** has the meaning given to that term in the Corporations Act;

**"Acquisition"** means the proposed acquisition of the Participating Interest from Seabank pursuant to the terms and conditions of the Copper Project Agreement;

**"AGM", Annual General Meeting** or **"Meeting"** means the annual general meeting of Shareholders of the Company convened by this Notice;

**"Angola"** means the Republic of Angola;

**"Angolan State"** means the Government of the Republic of Angola;

**"Annual Report"** means the annual report of the Company for the year ended 30 June 2015;

**"Associate"** has the meaning given to that term by Division 2 of Part 1 of the Corporations Act;

**"ASX"** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

**"Board"** means the board of Directors of the Company;

**"Business Day"** means a day (other than a Saturday or Sunday) on which trading banks in Perth are open for ordinary business;

**"Cash Consideration"** has the meaning given in section 5.2 of the Explanatory Memorandum;

**"Closely Related Party"** of the Key Management Personnel has the meaning given to that term in the Corporations Act;

**"Company"** or **"VDM"** means VDM Group Limited ABN 95 109 829 334, and where the context permits, wholly owned subsidiaries of the parent;

**"Conditions"** has the meaning given in section 5.2 of the Explanatory Memorandum;

**"Constitution"** means the constitution of the Company;

**"Copper Project Agreement"** means the agreement entered into between VDM, Seabank and Pebric in respect of the Project dated 26 September 2014;

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

**"Current ASX Waiver"** has the meaning given in section 5.2 of the Explanatory Memorandum;

**"Director"** means a Director of the Company from time to time;

**"Equity Securities"** has the same meaning as in the Listing Rules;

**"Explanatory Memorandum"** means the explanatory memorandum accompanying the Notice;

**"Future Placement"** has the meaning given in section 6.1 of the Explanatory Memorandum;

**"Future Placement Shares"** has the meaning given in section 6.1 of the Explanatory Memorandum;

**"Kenkong"** has the meaning given in section 7.2 of the Explanatory Memorandum;

**"Key Management Personnel"** has the meaning given in the Accounting Standards and 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 executive or otherwise) of the Company;

**"Listing Rules"** means the Listing Rules of ASX;

**"MGM"** means the Angolan State's Ministry of Geology and Mines;

**"Mineral Investment Contract"** means the proposed contract to be entered into by VDM, Seabank, Pebric and the Angolan State in accordance with the new Angolan Mining Code;

**"Notice"** or **"Notice of Annual General Meeting"** means this notice of Annual General Meeting;

**"Participating Interest"** means the 65% interest in the Project Joint Venture;

**"Party"** means a party to the Copper Project Agreement, being VDM, Pebric and Seabank.

**"Pebric"** means Pebric Mining and Consulting, LDA., a company incorporated under the laws of Angola;

**"Project"** means the Cachoeiras do Binga copper exploration project located in the Republic of Angola;

**"Project Joint Venture"** means the unincorporated joint venture between Seabank and Pebric for the prospection and exploitation of minerals in respect to Project, and following completion of the Copper Project Agreement, the unincorporated joint venture between VDM, Seabank and Pebric for the prospection and exploitation of minerals in respect to Project;

**"Project Joint Venture Agreement"** means the joint venture agreement between Seabank and Pebric dated 15 April 2014 forming the Project Joint Venture to which VDM will become a party pursuant to the Copper Project Agreement;

**"Proxy Form"** means the proxy form attached to this Notice;

**"Related Party"** has the meaning given to it in the Corporations Act;

**"Relevant Interest"** has the meaning given by section 608 of the Corporations Act;

**"Remuneration Report"** means the remuneration report set out in the Director's report section of the Company's Annual Report;

**"Resolution"** means a resolution contained in this Notice;

**"Seabank"** means Seabank Resources, LDA. a company incorporated under the laws of Angola;

**"Seabank Shares"** has the meaning given in section 5.2 of the Explanatory Memorandum;

**"Share"** means an ordinary fully paid share in the capital of the Company;

**"Shareholder"** means a holder of Shares;

**"Shareholding"** means a holding of Shares;

**"Share Registrar"** means Computershare Investor Services Pty Limited ABN 48 078 279 277;

**"Trading Day"** has the has the meaning given in the Listing Rules;

**"Voting Power"** has the meaning given by section 610 of the Corporations Act;

**"VWAP"** means volume weighted average price; and

**"\$"** means Australian dollars



VDM Group Limited  
ABN 95 109 829 334

### Lodge your vote:

**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

┌ 000001 000 VMG  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

**For your vote to be effective it must be received by 9:30am (AWST) Tuesday, 24 November 2015**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of VDM Group Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of VDM Group Limited to be held at Matilda Bay Room, Hyatt Regency Perth, 99 Adelaide Terrace, Perth, Western Australia on Thursday, 26 November 2015 at 9:30am (AWST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on 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 key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

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

	For	Against	Abstain
Resolution 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Mr Velko Jakovich as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval to issue shares to Seabank Resources, LDA.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of Future Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of 10% Enhanced Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /