

# TNT MINES LIMITED

ABN 67 107 244 039

## NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

**General Meeting to be held at Suite 50, 14 Narabang Way, Belrose, NSW 2085  
on 26 May 2017 commencing at 11am (AEST)**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR ATTENTION.**

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

**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 7pm (AEST) on 24 May 2017.**

**AGENDA**

**1. Resolution 1 – Consolidation of Share Capital**

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

*“That, for the purposes of Section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every two hundred (200) Shares be consolidated into one (1) Share, and where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction up to the nearest whole Share.”*

**2. Resolution 2 – Replacement of Constitution**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of Section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chair for identification purposes.”*

---

**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 on +61 2 9450 0828.***

**By Order of the Board of Directors**

-----  
**Mark Ohlsson**  
**Company Secretary**

5 May 2017

## 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.

Capitalised terms in this Explanatory Statement are defined in the Glossary.

### 1. Resolution 1 – Consolidation of Capital

#### **Background**

The purpose of Resolution 1 is to consolidate the Shares of the Company on the basis that every two hundred (200) Shares be consolidated into one (1) Share (**Consolidation**). If the Consolidation is approved by Shareholders, the number of Shares on issue will be reduced from 109,541,285 to 547,706 (subject to rounding).

The purpose of the Consolidation is to provide the Company with a more appropriate capital structure for its proposed initial public offer of securities to be made pursuant to an application to list on the ASX.

#### **Legal requirements**

Section 254H of the Corporations Act states that a company may convert all or any of its shares into a larger or smaller number by resolution passed at a general meeting.

#### **Fractional entitlements**

Not all Shareholders will hold that number of Shares which can be evenly divided by two hundred (200). Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Share.

#### **Taxation consequences**

It is not expected that any taxation consequences will arise for Shareholders as a consequence of the Consolidation. However, Shareholders should seek their own tax advice on the effect of the Consolidation, and neither the Company nor its directors accept any responsibility for the individual taxation consequences arising from the share consolidation.

#### **Holding statements**

From the date two Business Days after the Consolidation is approved by Shareholders, all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares to be issued to Shareholders.

It is the responsibility of each Shareholder to check the number of Shares held prior to disposal or exercise (as the case may be).

#### **Effect on capital structure**

The effect the Consolidation will have on the capital structure of the Company is as follows:

	Shares*
Pre-Consolidation	109,541,285
Post-Consolidation (Resolution 1)	547,706

\*This table does not take into account any rounding discrepancies or fractional entitlement occurrences

Aside from the Shares, the Company currently has no other securities on issue.

### **Timetable**

A proposed timetable of the Consolidation contemplated by Resolution 1 is as follows:

<b>Key event</b>	<b>Indicative date</b>
Company announces Consolidation and sends out Notice of General Meeting.	5 May 2017
Date of General Meeting (and Record Date)	26 May 2017
Consolidation to take place (Subject to passing of Resolution 1)	29 May 2017
First day for issue of holding statements to Shareholders	31 May 2017

### **Directors' Recommendation**

The directors unanimously recommend that Shareholders vote in favour of Resolution 1.

## **2. Resolution 2 – Replacement of Constitution**

### **General**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 2 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in 2011.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

Resolution 2 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 2 for it to be passed.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website [www.tntmines.com.au](http://www.tntmines.com.au) and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 2 9450 0828). Shareholders are invited to contact the Company if they have any queries or concerns.

### **Summary of material proposed changes**

#### **Partial (proportional) takeover provisions (new clause 36)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

#### **Information required by section 648G of the Corporations Act**

##### *1. Effect of proposed proportional takeover provisions*

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

##### *2. Reasons for proportional takeover provisions*

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

##### *3. Knowledge of any acquisition proposals*

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

##### *4. Potential advantages and disadvantages of proportional takeover provisions*

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- assisting in preventing Shareholders from being locked in as a minority;
- increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- proportional takeover bids may be discouraged;
- lost opportunity to sell a portion of their Shares at a premium; and
- the likelihood of a proportional takeover bid succeeding may be reduced.

**Recommendation of the Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 2.

## GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

<b>AEST</b>	Australian Eastern Standard Time, being the time in Sydney, New South Wales.
<b>ASIC</b>	the Australian Securities and Investment Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.
<b>ASX Listing Rules</b>	then Listing Rules of ASX.
<b>Board</b>	the board of Directors of the Company.
<b>Business Day</b>	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
<b>Chair</b>	the chair of the meeting.
<b>Company</b>	TNT Mines Limited (ACN 107 244 039)
<b>Company Secretary</b>	Mr Mark Theodore Ohlsson.
<b>Consolidation</b>	the consolidation of the Company's Shares on the basis that every two hundred (200) Shares be consolidated into one (1) Share accordance with Resolution 1.
<b>Constitution</b>	the current constitution of the Company.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Directors</b>	the current directors of the Company.
<b>Explanatory Statement</b>	the explanatory statement accompanying the Notice.
<b>Notice</b>	this notice of general meeting including the Explanatory Statement and the Proxy Form.
<b>Proxy Form</b>	the proxy form accompanying the Notice.
<b>Resolutions</b>	the resolutions set out in the Notice, or any one of them, as the context requires.
<b>Section</b>	a section contained in this Explanatory Statement.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	a holder of Shares.