

**South Pacific Resources Limited
(Company or SPB)**

ABN 30 073 099 171

**Notice of General Meeting and Explanatory
Statement**

The General Meeting of the Company will be held at Level 5, 56 Pitt Street, Sydney, NSW, 2000, Australia at 11.00 am (AEDT) on Friday, 24 January 2020

This is an important document. Please read it carefully. If Shareholders are in doubt as to how to vote in respect of any or all of the resolutions contained within this document, they are advised to seek advice from their accountant, solicitor, or other relevant professional adviser prior to voting.

If you are unable to attend the General Meeting, please complete the Proxy Form enclosed and return it in accordance with the instructions set out in the Proxy Form.

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South Pacific Resources Limited

ABN 30 073 099 171

Time and Place of Meeting and How to Vote

Venue

The General Meeting of Shareholders of the Company will be held at:

Level 5, 56 Pitt Street Sydney, New South Wales, Australia 2000	Commencing 11.00 (AEDT) am on 24 January 2020
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How to Vote

You may vote by attending the General Meeting in person, by proxy or authorised representative.

Voting in Person

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

Voting by Proxy

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

Your proxy form is enclosed at the end of the Explanatory Statement.

Voting by Authorised Representative

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

Chairman voting undirected proxies

The Chairman will vote undirected proxies on, and in favour of, all of the proposed resolutions.

Voting entitlement (snapshot date)

For the purposes of determining voting and attendance entitlements at the General Meeting, will be taken to be held by the persons who are registered as holding the Shares at 5pm (AEDT) on 22 January 2020. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Forward-looking Statements

Some of the statements contained in this document are about the future.

Such statements which may be identified by words such as "may", "could", "believes", "estimates", "targets", "expects", "intends" and other words expressing a similar likelihood or a possibility (whether objectively or subjectively framed) occurring.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company.

Any forward-looking statements contained within this document are subject to various risk factors (both known and unknown) that could cause actual future results, conduct, performance or achievements to differ materially from those expressed or anticipated in these statements or from historical results, conduct, performance or achievements.

The Company, the Directors and management and employees or any persons named and involved in the preparation of this document:

- do not make any representation or warranty (express or implied) as to the likelihood of fulfillment of any forward looking statement, or any events or results expressed or implied in any forward looking statement; and
- disclaim any duty to update any forward-looking statements other than with respect to information they become aware of prior to the Meeting which is material to the making of a decision regarding whether or not to vote in favour of the Resolutions set out in this document except to the extent required by law.

Members are cautioned not to place reliance on any forward looking statement. The forward-looking statements contained within this document reflect views held only as at the date of this document.

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Contents

Time and Place of Meeting and How to Vote	2
Notice of General Meeting	5
Explanatory Statement	6
1. Resolution 1 – De-Listing from the Australian Securities Exchange (ASX)	6
2. Resolution 2 – Replacement of Company’s Constitution	9
3. Definitions	10

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Notice of General Meeting

Notice is hereby given that the General Meeting of Shareholders of South Pacific Resources Limited will be held at Level 5, 56 Pitt Street, Sydney, New South Wales, Australia 2000 at 11.00 am (AEDT) on Friday, 24 January 2020 (**General Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Proxy Form and Explanatory Statement form part of this Notice of Meeting.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered as Shareholders at 5.00pm (AEDT) on 22 January 2020.

If Shareholders are in any doubt as to how they should vote they should seek advice from their accountant, solicitor or other professional advisor.

Capitalised terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in Section 5 of the Explanatory Statement.

Business of the Meeting

Resolution 1 – De-Listing from Australian Securities Exchange (ASX)

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

“That for all purposes, Shareholders approve the Company’s removal from the official list of ASX , and that the directors of the Company be authorised to do all things reasonably necessary to give effect to the De-Listing of the Company from ASX.”

Resolution 2 – Amendment of Company’s Constitution

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

“That with effect from the date on which the De-Listing is effective and in accordance with section 136(2) of the Corporations Act and for all other purposes, the Company’s Constitution be modified by making the amendments described in the Explanatory Statement.”

Dated this 26 December 2019

By Order of the Board



Domenic Martino
Chairman

South Pacific Resources Limited

ABN 30 073 099 171

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting of the Shareholders of South Pacific Resources Limited (**Company** or **SPB**) to be held at Level 5, 56 Pitt Street, Sydney, New South Wales, Australia, 2000 at 11.00 am (AEDT) on Friday, 24 January 2020 (**General Meeting**).

Scope of Disclosure

The law requires that this Explanatory Statement sets out all information that is reasonably required by Shareholders in order to decide whether or not it is in the Company's interests to pass the Resolutions. The Company is not aware of any relevant information that is material to the decision on how to vote on the Resolutions other than is disclosed in this Explanatory Statement, or previously disclosed to Shareholders by the Company on the ASX.

1. Resolution 1 – De-Listing from the Australian Securities Exchange (ASX)

1.1 General

Shareholders should be aware that the ASX has not required the Company to seek Shareholder approval to be removed from the official list of ASX ("De-List"), and that the Company is seeking Shareholder approval of its own volition as a matter of good corporate governance.

The Board has resolved that it is in the best interest of the Company's shareholders and all stakeholders to De-List and to submit an application for listing on the National Stock Exchange of Australia ("NSX") of the Shares, Public Offer Shares and Takmur Shares and to withdraw the current application for re-admittance to the Official List of ASX.

The Company has received in-principle advice from ASX in relation to its proposed removal from the ASX official list under Listing Rule 17.11 (the "De-Listing") on the terms set out below.

In response to the Company's application for in-principle advice, based upon the information provided, ASX has advised that it would be likely to agree to the Company's request to be removed from the Official List pursuant to Listing Rule 17.11, on a date to be decided by ASX, subject to compliance with the following conditions prior to 23 March 2020:

- (a) the Company being admitted to NSX and having its relevant securities quoted on NSX;
- (b) the Company makes an announcement and writes to all securities holders, in form and substance satisfactory to ASX, setting out:
 - (i) the nominated time and date at which the Company will be removed from ASX;
 - (ii) the Company's securities will remain suspended during the De-Listing;
 - (iii) what security holders need to do to sell their securities on NSX;
 - (iv) that the removal of the Company will not take place any earlier than one month following the announcement and written communication to Shareholders;
- (c) the Company submits a formal removal request pursuant to Listing Rule 17.11;
- (d) the Company releases the full terms of ASX's decision to the market upon making a formal application to ASX to remove the Company from the Official List.

The proposed De-Listing is considered by the Directors to be in the best interests of the Company for the reasons set out in this Explanatory Statement, particularly at section 1.2.

The De-Listing may be perceived to have some disadvantages for Shareholders. Possible disadvantages are set out in section 1.3.

The Board recommends that Shareholders seek legal, financial and tax advice about the potential impact of Resolution 1, including the potential advantages and disadvantages of holding shares in a company that is not listed on ASX.

1.2 Summary of key reasons for seeking approval to De-List and related advantages

The Directors' key reasons for recommending Shareholders approve the De-Listing are as follows:

- Completion of Transaction with Takmur Pte Ltd - it will not be possible for SPB to complete its acquisition of Takmur Pte Ltd as announced on 7 August 2019 (**Transaction**) without having a market for its securities and the Board remains committed to completing the Transaction. The De-Listing of the Company from the Official List and listing on NSX will enable the Company to complete the Transaction, subject to the Company raising funds under its replacement prospectus which will be lodged with ASIC.
- Provide a market for the Shares on NSX - the Company believe that listing on NSX provides a viable market for shareholders to trade their shares and the ability to complete the Transaction. Importantly NSX operates under similar conditions as ASX and is fully integrated with IRESS allowing shareholders to trade under well established and understood parameters in a manner similar to what they would already be able to do on ASX.
- Low levels of trading liquidity - the Company notes that prior to its suspension there was very little liquidity in its shares with only 7,838,756 shares to a total value of \$33,129 traded in the 6 months prior to the suspension. Once the Transaction has been completed, and SPB is listed on the NSX, it is anticipated by the Board that there will be an active market for the shares of SPB given the size and nature of the newly listed entity which will enable current Shareholders access to liquidity.
- The Company will remain regulated by the Corporations Act and, if the NSX application for Listing is successful, will also be regulated by the Listing Rules of the NSX. The NSX Listing Rules are similar in application to the ASX Listing Rules and as a result it is the view of the Company that the rights of Shareholders will not be substantially diminished by the De-Listing.
- The Company has not been able to raise capital for some time but is doing so as part of the De-Listing and application for listing on NSX. In the event that the De-Listing and the listing on NSX proceeds then the Company will have access to fresh capital as a consequence which in the Company's view should lead to an increase in Shareholder value and the Company will be able to proceed with the Transaction.

1.3 Consequences of De-Listing

The consequences for the Company and its shareholders if it is De-Listed is that the Company will then seek to be listed on NSX. Shareholders should note that if the De-Listing is approved, the Company will become an unlisted disclosing entity under the Corporations Act until such time as the Company is able to list on the NSX.

1.4 Potential disadvantages of the De-Listing

The Directors have considered the potential disadvantages of De-Listing compared to the disadvantages of remaining on ASX, particularly:

- Shareholders' ability to sell Shares and realise their investment in the Company may be reduced as immediately following the date on which De-Listing occurs, Shares will no longer be traded on ASX and will only be capable of sale by private transaction. This will be the case, until the Company lists on NSX. NSX liquidity is historically lower than that of ASX which may affect Shareholders' ability to trade Shares.
- Though the Company is confident in the market for its Shares post-Transaction, NSX liquidity is historically lower than that of ASX which may affect Shareholders' ability to trade Shares.

- While the NSX possess the same market licence as ASX and is regulated in the same manner as ASX NSX is a less well known market in Australia and internationally.
- While the Company is confident that it will be able to list on NSX there can be no guarantee that the NSX will admit the Company, or that the NSX will not impose conditions that the Company is unable or not willing to satisfy. If the Company does not List on NSX then Shareholders will have limited avenues through which it can sell their Shares.

1.5 What approvals are required for the De-Listing?

The De-Listing is conditional on compliance with the conditions which ASX has imposed as part of its approval. Details of ASX's approval for the De-Listing and the conditions attaching to that approval are described in section 1.1.

1.6 The effect of De-Listing

If Shareholders approve Resolution 1, the Company will be removed from the Official List on a date to be decided by ASX following compliance by the Company with the conditions imposed by ASX to the De-Listing (De-Listing Date). Set out below is an indicative timetable for removal from the Official List. The timetable is indicative only and may change.

Event	Date
General Meeting	24 January 2020
De-Listing date (date on which De-Listing is expected to take effect)	3-10 February 2020

1.7 What remedies may Shareholders pursue under the Corporations Act?

If a Shareholder considers the De-Listing to be contrary to the interests of the Shareholders as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a Shareholder or Shareholders, it may apply to the court for an order under Part 2F.1 of the Corporations Act. Under section 233 of the Corporations Act, the court can make any order that it considers appropriate in relation to the Company, including an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future. If a Shareholder considers that the De-Listing involves "unacceptable circumstances", it may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (refer also to Guidance Note 1: Unacceptable Circumstances issued by the Takeovers Panel). Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable, it may make any order that it thinks appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

1.8 What happens if Resolution 1 is or is not passed?

If Resolution 1 is passed the Company will be able to proceed with the De-Listing and will seek listing on the NSX. Shareholders should note that if the De-Listing is approved, the Company will become an unlisted disclosing entity under the Corporations Act until such time as the Company is able to list on the NSX.

Shareholders should be aware however that even if Resolution 1 is passed there is no guarantee that the ASX will approve the De-Listing and that the De-Listing is subject to the ASX giving its approval for the Company to be removed from the ASX on the condition that the Company is listed on the National Stock Exchange.

If Resolution 1 is not passed the Company will not be able to proceed with the De-Listing, the Company will remain suspended on ASX and will be unable to complete the Transaction.

1.1 Director Recommendation

The Directors unanimously recommend that shareholders vote in favour of Resolution 1. The Chair intends to vote undirected proxies in favour of Resolution 1.

2. Resolution 2 – Replacement of Company's Constitution

2.1 General

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

Resolution 2 seeks Shareholder approval for the modification of the Constitution by changing the definition of "Exchange" from "means ASX Limited ACN 008 624 691" to "means National Stock Exchange of Australia Limited, or if the Company is Listed on the ASX, the ASX, or any other licenced Securities Exchange approved by the Board".

The change to the Constitution will only become effective upon De-Listing.

2.2 Reasons for the Proposed Amendment

As indicated in the previous Section of this Explanatory Memorandum, the Company will seek to be listed on the NSX following its De-Listing, if approved. The changes to the Company's constitution are to be made to ensure compliance with the requirements of the NSX.

2.3 Summary of New Constitution

The key provision of the New Constitution is set out in Section 2.1 above.

A copy of the proposed New Constitution is available on request or on the website of the Company at www.southpacificresourceslimited.com. Shareholders will be able to inspect a copy of the New Constitution at the Meeting.

2.4 Director Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2.

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

The Chairman intends to exercise all available proxies in favour of Resolution 2.

3. Definitions

In this Explanatory Statement and the Notice of Meeting:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company or **SPB** means South Pacific Resources Limited, ABN 30 073 099 171, being a company incorporated in Australia and having registered address at Level 5, 56 Pitt Street, Sydney NSW 2000.

Constitution means the constitution of the Company.

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

Director means a current director of the Company (and where applicable includes the Proposed Directors).

Explanatory Statement means the Explanatory Statement to the Notice of Meeting.

General Meeting or **Meeting** means the extraordinary general meeting of the Company the subject of the Notice of Meeting.

New Constitution means the proposed new constitution of the Company.

Notice of Meeting or **Notice** means this notice of meeting.

NSX means National Stock Exchange of Australia Limited (ABN 11 000 902 063)

Public Offer Shares means the shares to be offered to under a prospectus lodged by the Company on 24 December 2019.

Resolution means a resolution contained in this Notice of Meeting.

Section means a section of this Explanatory Statement.

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

Shareholder means a holder of legal title to Shares (collectively).

Special resolution means a resolution of a General Meeting passed by at least 75% of votes cast by Shareholders who (being entitled to do so) vote in person or by proxy at that General Meeting.

Takmur means Takmur Pte Ltd.

Takmur Shares means Shares to be issued as consideration for Takmur.

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ONLINE PROXY APPOINTMENT
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MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.
 It is a fast, convenient and a secure way to lodge your vote.

2020 GENERAL MEETING PROXY FORM

I/We being shareholder(s) of South Pacific Resources Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chairman of the meeting

OR


PLEASE NOTE: If you leave the section blank, the Chairman of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including 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 General Meeting of the Company to be held at Level 5, 56 Pitt Street, Sydney, NSW, 2000, Australia on 24 January 2020 at 11.00 am (AEDT) and at any adjournment or postponement of that Meeting.

CHAIRMAN'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES:

The Chairman intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chairman 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 DIRECTIONS
Resolutions

For Against Abstain*

1 De-Listing from Australian Securities Exchange (ASX)

2 Amendment of Company's Constitution



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

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 STEP 1
 STEP 2
 STEP 3

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PLEASE NOTE: If you appoint the Chairman as your proxy (or if he is appointed by default) but do not direct him how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chairman may vote as he sees fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 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.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11.00 am (AEDT) on 22 January 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

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IN PERSON

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ALL ENQUIRIES TO

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