

CROSSLAND STRATEGIC METALS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS GIVEN THAT the Annual General Meeting of Shareholders of Crossland Strategic Metals Limited (“CUX” or the “Company”) will be held at 11.00 am AEST on Tuesday, 22 May 2018, at the office of RSM Australia Partners located at Level 21, 55 Collins St., Melbourne VIC 3000.

If you are unable to attend the Meeting, we encourage you to complete and return the enclosed Proxy Form. The completed Proxy Form must be received by the Company at least 48 hours before the commencement of the Meeting.

An Explanatory Statement is attached. Shareholders should read this in full. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

General Business

Receipt and Consideration of Financial Accounts and Reports

To receive and consider the Financial Report, Directors’ Report and the Auditor’s Report for the year ended 31 December 2017.

Ordinary Business

Resolution 1 - Remuneration Report

That, for the purpose of section 250R (2) of the *Corporations Act 2001 (Cth)*, the Remuneration Report of the Company for the financial year ended 31 December 2017 be adopted, as a **non-binding resolution**.

Voting Exclusion:

In accordance with the requirements of section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Company's key management personnel (“KMP”) whose remuneration is included in the Remuneration Report; or*
- (b) a closely related party of such a member of the KMP.*

However, the Company need 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, where the proxy form does not specify the way the proxy is to vote on the resolution and expressly authorise the proxy to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.*

Resolution 2 – Re-election of Director

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

“That Dato Sia Hok Kiang, who retires in accordance with clause 17 of the Company’s constitution and Listing Rule 14.5, and being eligible, be re-elected as a Director of the Company.”

Resolution 3 – Approval of Proposed Issue of Options to a related party

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

“That, pursuant to section 208 of the Corporations Act and in accordance with ASX Listing Rule 10.11, and for all other purposes, approval be given for the issue of 50,000,000 Options exercisable at \$0.005 each on or before the date that is 60 months from the issue date of the Options, to Mr Eric Vesel (and / or his nominee) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion:

In accordance with the requirements of section 224 of the Corporations Act and Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) persons associated with Mr Eric Vesel (and / or his nominee) as subscriber to the proposed issue, and*
- (b) an associate of those persons.*

However, the Company need not disregard a vote if the vote:

- 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 on this Resolution, and the proxy form expressly authorises the Chairman to exercise the undirected proxy as the Chairman decides.*

Resolution 4 – Approval of Proposed Issue of Convertible Notes to a related party

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

“That, pursuant to section 208 of the Corporations Act and in accordance with ASX Listing Rule 10.11, and for all other purposes, approval be given in respect of:

- (a) the issue by the Company of 200,000,000 convertible notes with a face value of \$0.005 each to Emmco Mining Sdn Bhd; and
- (b) the Company to issue that number of fully paid ordinary shares in the Company (calculated in accordance with the terms of the Convertible Notes) on conversion of the Convertible Notes and in satisfaction of interest payable under the Convertible Notes,

on and subject to the terms and conditions set out in the Explanatory Memorandum to the Notice of Annual General Meeting.

Voting Exclusion:

In accordance with the requirements of section 224 of the Corporations Act and Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) persons associated with Emmco Mining Sdn Bhd (and / or its nominee) as subscriber to the proposed issue, and*
- (b) an associate of those persons.*

However, the Company need not disregard a vote if the vote:

- 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, on this Resolution, and the proxy form expressly authorises the Chairman to exercise the undirected proxy as the Chairman decides.*

Resolution 5 – Approval of Proposed Issue of Ordinary Shares

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 200,000,000 Shares at an issue price equal to the 5 Day VWAP to Eligible Investors on and subject to the terms and conditions set out in the Explanatory Memorandum to the Notice of Annual General Meeting.”

Voting Exclusion:

In accordance with the requirements of Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a person who may participate in any proposed issue associated with this Resolution 5 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and*
- (b) any associate of that person.*

However, the Company need not disregard a vote if the vote:

- 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, on this Resolution, and the proxy form expressly authorises the Chairman to exercise the undirected proxy as the Chairman decides.*

Resolution 6 – Appointment of Auditor

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

“That RSM Australia Partners being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the auditor of the Company and the Directors be authorised to agree their remuneration.

Special Business**Resolution 7 - Approval of Additional 10% Placement Capacity**

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

“That for the purpose of ASX Listing Rule 7.1A and all other purposes, approval be given for the issue of up to 10% of the Company’s share capital calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion:

In accordance with the requirements of Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- (a) a person who may participate in any proposed issue associated with this Resolution 7 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and*
- (b) any associate of that person.*

However, the Company need not disregard a vote if the vote:

- 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, on this Resolution, and the proxy form expressly authorises the Chairman to exercise the undirected proxy as the Chairman decides.*

As at the date of this Notice of AGM, the Company has not invited any existing Shareholder to participate in an issue of equity securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 7.

By Order of the Board

Andrew Metcalfe

Company Secretary

20 April 2018

Defined terms

Capitalised terms used in this Notice of AGM (including those used in the resolutions set out in this Notice) have, unless otherwise defined, the same meanings set out in the Explanatory Memorandum attached to this Notice.

1. Material accompanying this Notice

The following materials accompany this Notice:

- (a) the Financial Report, Directors' Report and Auditor's Report, if you have elected to receive a printed copy of these reports and have not withdrawn that election;
- (b) the Explanatory Memorandum setting out details relevant to the ordinary and special business set out in this Notice; and
- (c) the Proxy Form.

2. Voting and required majority - Corporations Act

- (a) In accordance with section 249HA of the Corporations Act, not less than 28 days' written notice of the AGM has been given.
- (b) Each resolution, with the exception of Resolution 7, must be passed by more than 50% of all the votes cast by Shareholders entitled to vote on the resolutions (whether in person or by proxy, attorney or representative). Resolution 7 is a special resolution and requires more than 75% of all the votes cast by Shareholders entitled to vote on the resolution (whether in person or by proxy, attorney or representative).
- (c) Subject to the voting exclusions referred to above, on a show of hands every Shareholder has one vote and, on a poll, every Shareholder has one vote for each Share held.

3. Notes

- (a) Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* the Company has determined that, for the purposes of the AGM, all Shares in the Company will be taken to be held by the persons registered as Shareholders at **7pm AEST on Sunday, 20 May 2018** (the "**Effective Time**").
- (b) All holders of Shares at the Effective Time are entitled to attend and vote at the AGM and may appoint a proxy for that purpose.
- (c) A proxy need not be a Shareholder of the Company.
- (d) The Proxy Form sent with this Notice should be used for the AGM unless you appoint your proxy online as set out in clause 3(h) below.
- (e) Each Shareholder who is entitled to cast 2 or more votes at the AGM, may appoint up to 2 proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder with 2 proxies **does not** specify the proportion or number of that Shareholder's votes each proxy may exercise, each proxy will be entitled to exercise half of the votes. An additional Proxy Form will be supplied by the Company on request.
- (f) Any Shareholder may appoint an attorney to act on his or her behalf. The power of attorney, or a certified copy of it, must be received by the Company as set out in clause 4(h) below.

- (g) Any corporation, which is a Shareholder of the Company, may appoint a representative to act on its behalf. Appointments of representatives must be received by the Company by the methods set out in clause 3(h).
- (h) Proxies, powers of attorneys and company representative authorisations granted by Shareholders must be received by the Company by no later than **11am AEST on Sunday, 20 May 2018** –
- (i) electronically at www.votingonline.com.au/crosslandagm2018 by following the instructions provided but a proxy cannot be appointed online if appointed under power of attorney or similar authority; or
 - (ii) at the Company's share registry in Australia – Boardroom Pty Limited, GPO Box 3993, Sydney, NSW, 2001, Australia; or
 - (iii) in person at the Company's share registry in Australia – Boardroom Pty Limited, Level 12, 225 George Street, Sydney, NSW, 2000; or
 - (iv) by fax to the Company's share registry – fax number +61 2 9290 9655.

Please refer to the Proxy Form accompanying this Notice for more information.

CROSSLAND STRATEGIC METALS LIMITED
EXPLANATORY MEMORANDUM

1 General

This Explanatory Memorandum contains information relevant to the business referred to in the Notice of AGM of Crossland Strategic Metals Limited (the "**Company**") which it accompanies and **should be read carefully by Shareholders prior to the AGM.**

All capitalised terms used in this Explanatory Memorandum have the meanings set out in the Glossary of Terms located at the end of this document.

Further details relating to each of the resolutions are set out below.

2 General Business

Item 1: Financial Reports

The Corporations Act requires that the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year be considered at the AGM. While this item of business does not require a formal resolution to be put to Shareholders, the Chair will give Shareholders a reasonable opportunity to raise questions on these reports at the AGM. A copy of the Financial Report, Directors' Report and Auditor's Report is available on the Company's website at <https://www.crosslandstrategic.com.au>.

As required under the Corporations Act, the Chair will also allow time during the AGM for Shareholders to ask the Auditor questions about, and make comments on, the reports and the Company's management, business, operations, financial performance and business strategies. If a Shareholder prefers to put written questions to the Auditor, a Shareholder may submit questions relevant to the content of the Auditor's report or the conduct of the audit, in writing, to the Company, up to five business days prior to the AGM. The Company will pass the questions on to the Auditor prior to the AGM. The Auditor may, but is not obligated to, answer any written or oral questions that are put by Shareholders.

3 Ordinary Business

Item 2: Resolution 1 - Remuneration Report

(a) **Background**

The Remuneration Report (which forms part of the Directors' Report) is required to include discussion on matters relating to remuneration policy and its relationship to the Company's performance.

As required under section 250R(2) of the Corporations Act, a resolution will be put to Shareholders to adopt the Remuneration Report. Shareholders should note that the vote on this resolution is advisory only and is not binding on the Board.

Under the Corporations Act, if 25% or more of the votes cast on this resolution are against adoption of the Remuneration Report, the Company will be required to consider, and report to Shareholders on, what action has been taken by the Company to address Shareholders' concerns at next year's annual general meeting. If at the Company's next annual general meeting, 25% or more of the votes cast on the resolution to adopt the Remuneration Report are against the adoption of that report, then Shareholders will be required to consider a resolution to call another general meeting in accordance with the Corporations Act at which the Directors who held office at the date of the Directors' Report (excluding the Managing Director) will be required to seek re-election.

(b) **Directors' Recommendation**

The Directors unanimously recommend Shareholders vote in favour of adopting the Remuneration Report. As stated in the Notice of AGM, each of the KMPs whose remuneration is reported in the Remuneration Report and closely related parties of those KMP's are not eligible to vote on this resolution, except as stated in the Notice of AGM.

Item 3: Resolution 2 – Re-election of Director

(a) **Background**

Dato Sia Hok Kiang was appointed as a non-executive Director and as Chair of the Board in accordance with the Company's constitution. Dato Sia Hok Kiang seeks re-election by Shareholders at this Meeting in accordance with the Company's constitution and the ASX Listing Rules.

Further information can be found in the Directors' Report, and the Company's Corporate Governance Statement (which can be accessed online).

(b) **Directors' Recommendation**

The continuing Directors unanimously support the re-election of Dato Sia Hok Kiang as a Director of the Company. Subject to any applicable voting exclusions, the Chair will vote any undirected proxies in favour of this resolution.

Item 4: Resolutions 3 and 4 – Proposed Issue of Securities to related parties**(a) Background**

- (i) Resolution 3 seeks Shareholder approval for the issue to Mr Eric Vesel of 50,000,000 options, with an exercise price of \$0.005 (0.5 cents) per share, expiring 60 months from date of issue (**Options**). The options are issued in consideration for unpaid services as Managing Director of the Company from 13 November 2015 to 31 December 2017.
- (ii) Resolution 4 seeks Shareholder approval for the issue to Emmco Mining Sdn Bhd of 200,000,000 Convertible Notes at an issue price of \$0.005 (0.5 cents) converting to ordinary shares on the basis of 1 Convertible Note converting to 1 ordinary share to raise \$1,000,000, with a coupon rate of 10% and a conversion date of 60 months from date of issue at the election of the note holder (**Convertible Notes**). As the Company has an ongoing need for funds to conduct its business operations and progress its growth initiatives, it is proposed that the Company seek advanced approval for these securities with such funds raised to be used for administrative services and overheads, corporate activities, governance and compliance and ongoing technical work.

The abovementioned Options and Convertible Notes are to be issued within 1 month of Resolutions 3 and 4 being passed.

(b) Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The proposed recipient of the Options is Mr Eric Vesel, an executive director of the Company, and as such shareholder approval should be obtained under ASX Listing Rule 10.11.

The proposed subscriber for the Convertible Notes is Emmco Mining Sdn Bhd, a company associated with Mr Harun Halim Rasip, a non-executive director of the Company, and as such shareholder approval should be obtained under ASX Listing Rule 10.11.

The Directors are of the view that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances. Further, exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

The effect of passing Resolutions 3 and 4 will allow the Company to issue the Securities to Mr Eric Vesel, a director of the Company, and Emmco Mining Sdn Bhd, a company associated with Mr Harun Halim Rasip, a director of the Company, (and / or its nominee).

Note, if shareholders approve the issue of Securities under Resolutions 3 and 4, shareholder approval is not required under LR 7.1

(c) Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The issue of the Securities will result in the issue of Options and Convertible Notes which constitutes giving a financial benefit to a related party of the Company.

The Board has considered the application of Chapter 2E of the Corporations Act and has formed the view that shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Securities as the exception in section 210 of the Corporations Act applies. The Securities are being issued on substantially the same terms as the most recent issue of securities by the Company and is therefore considered to be on arm's length terms.

The Directors', other than Mr Eric Vesel and Mr Harun Halim Rasip, who both have a material personal interest in Resolutions 3 and 4, do not consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is required in respect of the issue of the Securities.

(d) Valuation of Options and Convertible Notes

The value of an Option and Convertible Note has been calculated using the Black Scholes valuation model.

Each Share issued upon the conversion of an Option and Convertible Note is to be issued at a nominal issue price of \$0.005, equivalent to the face value. The valuation is a function of a number of variables.

Variable	Input
Exercise price	\$0.005
Price of the Share (the last closing Share price as at 20 April 2018)	\$0.005
Time to expiry	60 months
Risk free rate (based on the Australian Government 10Y bond)	2.60%
Volatility of a Share (based on volatility of the Share price since 31 May 2017)	100%

The expiry date of the Options is 60 months from the date of issue.

It is uncertain when the Convertible Notes will convert to Shares. The Company has adopted the expiry date as being 60 months from the date of this Notice for the purposes of the valuation

of the Options.

Any change in the variables applied in the valuation calculations between the date of the valuation and the date the Convertible Notes are issued would have an impact on their value.

Assuming a Share price of \$0.005 the Black Scholes valuation of each Option and Convertible Note has been calculated as \$0.004. Accordingly, the estimated value for the 50 million Options issued to Mr Eric Vesel is \$188,317 and the value of the 200 million Convertible Notes issued to Emmco Mining Sdn Bhd is \$753,268.

Company's Historical Share Price

The following table gives details of the highest, lowest and latest closing prices of the Company's Shares trading on ASX over the past 12 months ending on 20 April 2018:

Highest Price (\$) / Date	Lowest Price (\$) / Date	Latest Price (\$) / Date
\$0.009 (3 November 2017)	\$0.004 (6 April 2018)	\$0.005

Other Information

Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in issuing the Convertible Notes pursuant to Resolution 7.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 3 and 4.

(e) Information Required by ASX Listing Rule 10.11

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 3 and 4:

- the Options will be issued to Mr Eric Vesel
- the Convertible Notes will be issued to Emmco Mining Sdn Bhd (and / or its nominee(s));
- the maximum number of Options to be issued is 50,000,000;
- the maximum number of Convertible Notes to be issued is 200,000,000, and if the holder elects to convert, will convert into 200,000,000 ordinary Shares;
- the Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- the Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue.
- the Convertible Notes will be issued on the terms and conditions set out below;
 - Interest of 10% per annum paid quarterly, and not converted or issued in the form of securities.
 - Expiry date which is 60 months after the Note issue date;
- Mr Eric Vesel is a director of the Company
- Emmco Mining Sdn Bhd is associated with Mr Harun Halim Rasip, a Director of the Company;
- a voting exclusion statement is included in the Notice for Resolutions 3 and 4;
- Funds raised from the issue of Convertible Notes will be used for administrative services and overheads, corporate activities, governance and compliance and ongoing technical work.

(e) Directors' Recommendation

The Board, except for Mr Eric Vesel and Mr Harun Halim Rasip, unanimously recommends that shareholders vote in favour of Resolutions 3 and 4. Subject to any applicable voting exclusions, the Chair will vote any undirected proxies in favour of these resolutions.

Item 5: Resolution 5 – Proposed Issue of Securities to eligible investors

(a) Background

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 and for all other purposes for the issue of 200,000,000 Shares to eligible investors not later than 3 months after the Meeting (or a longer period if allowed by the ASX) at an issue price being the 5-Day VWAP.

The Company has an ongoing need for funds to conduct its business operations and progress its growth initiatives. Accordingly, it is proposed that the Company seek advanced approval for additional funds be raised for these purposes by way of a placement to eligible and professional

investors should market conditions be favourable within 3 months of Resolution 5 being passed.

Under Resolution 5, Shareholder approval for the proposed issue of up to 200,000,000 Shares is sought for the purposes of ASX Listing Rule 7.1 and all other purposes.

(b) Requirement for shareholder approval

A summary of ASX Listing Rule 7.1 is set out below.

ASX Listing Rule 7.1 prohibits a listed entity from issuing, or agreeing to issue, equity securities (which includes shares) in any 12-month period which exceeds 15% of the number of its ordinary shares on issue at the beginning of that 12-month period, unless one of the exceptions to ASX Listing Rule 7.1 applies or the approval of shareholders is obtained.

Under ASX Listing Rule 7.4, a prior issue of equity securities made without shareholder approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 and holders of ordinary shares subsequently ratify or approve the issue.

By approving the issue of Shares under Resolution 5, the Shares will not reduce the number of Shares that could be issued by the Company without the approval of Shareholders under ASX Listing Rule 7.1 and will increase the base number of Shares from which the 15% calculation is made.

(c) ASX Listing Rule 7.3 information

The following information in relation to the Shares to be issued is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) the maximum number of securities the Company can issue is 200,000,000 ordinary Shares;
- (b) the Company will issue the Shares no later than three months after the date of the Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules;
- (c) the Shares will be issued at a minimum price, which will be at least 80% of the volume weighted average market price of the securities calculated over the last 5 days on which sales in the securities were recorded before the day on which the issue is to be made or, if there is a prospectus, Product Disclosure Statement or offer information statement relating to the issue, over the last 5 days on which sales in the securities were recorded before the date the prospectus, Product Disclosure Statement or offer information statement is signed;
- (d) the Shares will be issued to various eligible and professional investors, none of which are related parties of the Company, being sophisticated investors (in accordance with sections 708(8) and (10) of the Corporations Act), professional investors (in accordance with section 708(11) of the Corporations Act), other institutional and accredited investors to whom no disclosure is required under the Corporations Act;

- (e) the Shares will be fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (f) the funds raised by the issue of the Shares will be used in the Company's business operations and for general working capital purposes;
- (g) the Shares will be issued on one date; and
- (h) a voting exclusion statement is included in the Notice for Resolution 5.

(e) Directors' Recommendation

The Board unanimously recommends that shareholders vote in favour of Resolutions 5. The Chair will vote any undirected proxies in favour of this resolution.

4. EFFECT OF RESOLUTIONS 3, 4 and 5 on the share capital of the Company.

Assuming all the Shares the subject of Resolutions 3, 4 and 5 are issued, the Company's issued capital and purpose of issue will be as follows:

Capital structure impact and use of funds – Resolutions 3, 4 and 5	Shares issued	Use of Funds
On issue as at the date of the annual general meeting	1,011,646,449	
Resolution 3 – issue of 50,000,000 Options to Mr Eric Vesel, with an exercise price of \$0.005 (0.5 cents) per share, expiring 60 months from date of issue, converting to Ordinary Shares	50,000,000	in consideration for unpaid services as Managing Director of the Company from 13 November 2015 to 31 December 2017
Resolution 4 – issue of 200,000,000 Convertible Notes at an issue price of \$0.005 (0.5 cents) per share, with a coupon rate of 10% and a conversion date of 60 months from date of issue at the election of the note holder, converting to Ordinary Shares	200,000,000	administrative services and overheads, corporate activities, governance and compliance and ongoing technical work
Resolution 5 – proposed issue of Ordinary Shares to Eligible Investors	200,000,000	administrative services and overheads, corporate activities, governance and compliance and ongoing technical work
Ordinary Shares on issue - following the issue of Options and Convertible Notes on conversion to Shares, the subject of Resolution 3 and 4, and the completion of the proposed Placement of Shares the subject of Resolution 5	1,461,646,449	

Item 6: Resolution 6 – Appointment of Auditor

(a) Background

Resolution 6 is a special resolution seeking the appointment of RSM Australia Partners as the new auditor of the Company.

On 8 February 2018, the Australian Securities & Investments Commission issued their consent to the resignation of BDJ Partners Audit Pty Ltd as auditor of the Company subject to BDJ Partners Audit Pty Ltd issuing a notice of resignation to the Company and Crossland Strategic Metals Limited issuing a disclosure notice to shareholders.

BDJ Partners submitted their resignation notice on 14 February 2018 and the Company issued a disclosure notice to shareholders on 15 February 2018 reporting the resignation of BDJ Partners and the appointment of RSM Australia Partners as the auditor of the Company.

RSM Australia Partners gave their written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act subject to shareholder approval of this resolution.

(b) Directors' Recommendation

The Board unanimously recommends that shareholders vote in favour of Resolutions 6. The Chair will vote any undirected proxies in favour of this resolution.

5 Special Business

Item 7: Resolution 7 - Approval of additional 10% Placement Capacity

(a) Background

Listing Rule 7.1A permits eligible entities to seek shareholder approval by special resolution at an annual general meeting to issue an additional 10% of issued capital by way of placements over a 12-month period (“**10% Placement Capacity**”). The additional 10% Placement Capacity is in addition to the Company's 15% Placement Capacity under Listing Rule 7.1.

The effect of Resolution 7 will be to allow the Directors to issue equity securities under Listing Rule 7.1A during the period of 12 months following the AGM without, or in addition to, using the Company's 15% Placement Capacity under Listing Rule 7.1.

(b) Eligibility

An “eligible entity” under Listing Rule 7.1A is one which has a market capitalisation of \$300 million or less and is not included in the S&P / ASX 300 Index. The Company is an “eligible entity” for the purpose of Listing Rule 7.1A.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue equity securities (as that term is defined in the Listing Rules) under the 10% Placement Capacity.

The exact number of equity securities that may be issued pursuant to the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2, which 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 as follows:

$$(A \times D) - E$$

Where:

A is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or 7.4. This does not include an issue of fully paid shares under the Company's 15% Placement Capacity without shareholder approval;
- less the number of fully paid ordinary securities cancelled in the 12 months.

(Note that **A** has the same meaning in the 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 issue or agreement to issue that are *not* issued with the approval of holders of ordinary securities under Listing Rule 7.1 or 7.4.

Any equity securities issued under the 10% Placement Capacity must be in an existing quoted class of the Company's equity securities. The Company presently has only one class of quoted securities, being fully paid ordinary shares.

If the Company issues any equity securities under the 10% Placement Capacity, the Company will be required to do the following pursuant to Listing Rules 7.1A.4 and 3.10.5A:

- give to the ASX a list of the allottees of the equity securities and the number of equity securities issued to each of those allottees (but this list is not required to be released to the market); and
- disclose to the market:
 - the details of the dilution to the existing holders of ordinary securities caused by the issue;
 - where the equity securities are issued for cash consideration, a statement of the reasons why the Company issued the equity securities as a placement rather than as a pro rata issue;
 - the details of any underwriting arrangements, including any fees payable to the underwriter; and
 - any other fees or costs incurred in connection with the issue.

(c) Minimum price

Any equity securities issued by the Company under Listing Rule 7.1A can only be issued at a price that is no less than 75% of the volume weighted average market price for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or

- the date on which the securities are issued if the securities are not issued within five trading days of the date on which the issue price is agreed.

(d) Dilution to existing security holders

If Resolution 7 is approved by Shareholders and the Company issues securities under the 10% Placement Capacity, then there is a risk of economic and voting dilution of existing ordinary security holders in the Company. In particular, there is a risk that the market price of the Company's securities may be significantly lower on the issue date than on the date of the AGM, and the securities may be issued at a price that is at a discount to the market price on the issue date.

The table below shows a number of hypothetical scenarios for a 10% placement as required by Listing Rule 7.3A.2 where the number of the Company's shares on issue (variable "A" in the formula in Listing Rule 7.1A.2) has remained current or increased by either 50% or 100%, and the share price has decreased by 50%, remained current or increased by 100% based on the closing share price on ASX at 20 April 2018 of AU\$0.005 (0.5 cents).

Number of shares on issue Variable "A"	Additional 10% placement Shares issued & Funds raised	Dilution		
		\$0.002 Issue price at half current market price	\$0.005 Issue price at current market price	\$0.01 Issue price at double current market price
Current 1,011,646,449	Shares issued	101,164,645	101,164,645	101,164,645
	Funds raised	\$202,329	\$505,823	\$1,011,646
50% increase 1,517,469,674	Shares issued	151,746,967	151,746,967	151,746,967
	Funds raised	\$303,494	\$758,735	\$1,517,470
100% increase 2,023,292,898	Shares issued	202,329,290	202,329,290	202,329,290
	Funds raised	\$404,659	\$1,011,646	\$2,023,293

The dilution table uses the following assumptions which the Company does not represent will necessarily occur:

- the Company issues the maximum number of securities available under the additional 10% Placement Capacity;
- the table shows only the effect of issues of securities under Listing Rule 7.1A, not under the 15% Placement Capacity under Listing Rule 7.1;
- no Convertible Notes (including Convertible Notes issued under the 10% Placement Capacity) are exercised into Shares before the date of issue of equity securities;
- 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%;

- the table does not show an example of dilution that may be caused to a particular Shareholder by reason of the placements under Listing Rule 7.1A, based on that Shareholder's holding at the date of the AGM; and
- the issue price at current market price is the closing price of the Shares on ASX on 20 April 2018 (being AU\$0.005 (0.5 cents)).

(e) 10% placement period

Approval of the Additional 10% Placement Capacity will be valid from the date of the Annual General Meeting and will expire on the earlier of:

- (i) the date that is 12 months after the date of the Annual General Meeting; and
- (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) (after which date, an approval under Listing Rule 7.1A ceases to be valid).

(f) Purpose of 10% additional placement

The Company may seek to issue securities under the 10% Placement Capacity for either:

- Cash consideration. The Company may use the funds for working capital, towards potential transactions or for other corporate purposes deemed by the Board to be in the best interests of the Company; or
- Non-cash consideration for transactions deemed by the Board to be in the best interests of the Company. In such circumstances, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the securities complies with Listing Rule 7.1A.3.

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

(g) Allocation policy

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

- the methods of raising funds that are then available to the Company;
- the effect of the issue of the equity securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from professional and corporate advisers (if applicable).

Allottees under the 10% Placement Capacity have not been determined as at the date of this Notice of AGM and may include existing and/or new security holders but cannot include any related parties or associates of a related party of the Company.

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 16 May 2013.

For the purposes of Listing Rule 7.3A.6(a), the table below shows the total number of equity securities issued since the annual general meeting held on 31 May 2017, under Listing Rule 7.1.

A total of 589,285,233 ordinary shares were issued on 2 June 2017, as follows:

Number of securities issued	Persons securities are issued to	Price per security and terms of issue	Total cash consideration
425,054,961	Emmco Mining Sdn Bhd as consideration for the acquisition of Essential Mining Resources Pty Ltd	\$0.005354128 representing a discount of \$.00064588 to the closing price of the securities on the date of issue	Nil
622	Stanislaw Wassylko as consideration for the acquisition of Essential Mining Resources Pty Ltd	\$0.005354128 representing a discount of \$.00064588 to the closing price of the securities on the date of issue	Nil
11,371,226	Geoffrey Eupene as consideration for outstanding directors fees and other remuneration	\$0.005354128 representing a discount of \$.00064588 to the closing price of the securities on the date of issue	Nil
9,151,817	Sia Hok Kiang as consideration for outstanding directors fees and other remuneration	\$0.005354128 representing a discount of \$.00064588 to the closing price of the securities on the date of issue	Nil
11,206,607	Tony Davis as consideration for payment of property rental fees for the Charley Creek Project	\$0.005354128 representing a discount of \$.00064588 to the closing price of the securities on the date of issue	Nil

132,000,000	Emmco Mining Sdn Bhd for repayment of a loan in the sum of \$530,000 and forming part of the consideration for the acquisition of Essential Mining Resources Pty Ltd	\$0.004 representing a discount of \$.002 to the closing price of the securities on the date of issue	Nil
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The current value of the non-cash consideration, based upon the share price of \$0.05 as at the date of this Notice of Meeting, is \$2,946,426.

No securities were issued in the past 12 months under Listing Rule 7.1A.

At the date of the Notice of Meeting the Company has not invited, and has not determined to invite, any particular existing security holder or an identifiable class of existing security holders to participate in an offer under Listing Rule 7.1A. Therefore, no existing security holder will be excluded from voting on Resolution 7.

(h) Recommendation on Resolution

The Board unanimously recommends that Shareholders vote in favour of Resolution 7. The Chair will vote any undirected proxies in favour of this resolution.

GLOSSARY OF TERMS

AGM	means the annual general meeting of the Company convened by this Notice of AGM.
ASX	means ASX Limited ACN 008 624 691.
Auditor's Report	means the report of the Auditor regarding its audit of the Company and its controlled entities that accompanies this Notice of AGM (if you have elected to receive a printed copy of this report and have not withdrawn that election) or which is available on the Company's website at https://www.crosslandstrategic.com.au .
Board	means the Board of Directors of the Company.
Chair	means the individual acting as chairperson of the AGM.
Company	means Crossland Strategic Metals Limited ACN 087 595 980.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Directors' Report	means the report of the Directors of the Company accompanying this Notice of AGM (if you have elected to receive a printed copy of this report and have not withdrawn that election) or which is available on the Company's website at https://www.crosslandstrategic.com.au .
Explanatory Memorandum	means the explanatory memorandum accompanying this Notice of AGM.
Financial Report	means the annual financial report of the Company and its controlled entities, for the year ending on 31 December 2017 that

accompanies this Notice of AGM (if you have elected to receive a printed copy of this report and have not withdrawn that election) or which is available on the Company's website at <https://www.crosslandstrategic.com.au>.

Key Management Personnel	has the meaning given to that term in the Corporations Act and generally includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including a Director (and the term " KMP " has the same meaning).
Listing Rules	means the listing rules of ASX, as amended from time to time.
Notice of AGM	means this notice of the annual general meeting of the Company including this Explanatory Memorandum and the Proxy Form (and the term " Notice " has the same meaning).
Proxy Form	means the proxy form attached to this Notice of AGM.
Remuneration Report	means the remuneration report of the Company that forms part of the Directors' Report accompanying this Notice of AGM (if you have elected to receive a printed copy of this report and have not withdrawn that election) or which is available on the Company's website at https://www.crosslandstrategic.com.au .
Shareholder	means a holder of one or more Shares in the Company.
Shares	means fully paid ordinary shares in the capital of the Company.