



FLINDERS EXPLORATION LIMITED

Notice of Annual General Meeting

The Annual General Meeting of Flinders Exploration Limited (ACN 140 351 033) will be held at the offices of KMT Partners, 31 Hauteville Terrace Eastwood, SA 5063 on Wednesday, 28 November 2018 at 10:00 am (ACDT).

This notice of Annual General Meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisor prior to voting.

Please contact the Company Secretary on +61 418 847 175 if you wish to discuss any matter concerning the Meeting.



FLINDERS EXPLORATION LIMITED

ACN 140 351 033

Registered Office: 31 Hauteville Terrace, Eastwood SA 5063

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting (**the Meeting**) of the Shareholders of **Flinders Exploration Limited (ACN 140 351 033) (the Company)** will be held in the offices of **KMT Partners, 31 Hauteville Terrace, Eastwood South Australia 5063** on Wednesday, 28 November 2018 at 10:00 am (ACDT) (**Meeting**).

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

Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Memorandum.

Proxy Forms must be received by no later than Monday, 26 November 2018 at 10:00 am.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 8 of the Explanatory Memorandum.

AGENDA

ORDINARY BUSINESS

1 Consideration of Financial Report, Directors' Report and Auditor's Report

To table the Annual Financial Report, including the Directors' Report and Auditor's Report for the Company and its controlled entities for the year ended 30 June 2018.

Pursuant to Section 317 of the *Corporations Act 2001* (Cth) (**Corporations Act**), the financial statements of the Company for the year ended 30 June 2018, together with the reports by the Directors and the Auditor therein are required to be laid before the meeting. Shareholders will be provided with the opportunity to ask questions of the Directors and the auditor about the financial statements but there will be no formal resolution put to the meeting with regard to the financial statements.

Neither the Corporations Act nor the Constitution requires a vote of Shareholders on the reports or statements. However, Shareholders will be given the opportunity to ask questions or make comments on the reports and statements at the Meeting.

ORDINARY RESOLUTIONS

2 RESOLUTION 1 – RE-ELECTION OF PETER MOLONEY AS A DIRECTOR

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

“That Mr. Peter Moloney, a Director retiring by rotation in accordance with the Company’s Constitution, and being eligible and having signified his candidature for the Office, be re-elected as a non-executive Director of the Company.”

SPECIAL RESOLUTIONS

3 RESOLUTION 2 – CONVERSION TO A PROPRIETARY COMPANY

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

“That for the purposes of Sections 157 and 162 of the Corporations Act 2001 (Cth) and for all other purposes, the Company convert from a public company limited by shares to a proprietary company limited by shares and that the name of the company be changed from ‘Flinders Exploration Limited’ to ‘Flinders Exploration Pty Ltd’.”

4 RESOLUTION 3 – ADOPTION OF NEW CONSTITUTION

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

“That, subject to and conditional on Resolution 2 being passed by the Shareholders, for the purposes of section 136(2) of the Corporations Act 2001 (Cth) and for all other purposes, the Company’s constitution be repealed and the new constitution published and accessible on the Company’s website at www.fexploration.com be adopted in its place, with effect from the alteration of the details of the Company’s registration by the Australian Securities and Investments Commission.”

By order of the Board of Directors

A handwritten signature in black ink, appearing to read "Kevin Wills".

Kevin Wills
Chairman
Flinders Exploration Limited
26 October 2018



FLINDERS EXPLORATION LIMITED

ACN 140 351 033

("the Company" or "Flinders")

EXPLANATORY MEMORANDUM

1 INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of KMT Partners, 31 Hauteville Terrace, Eastwood, South Australia on Wednesday, 28 November 2018 at 10:00 am. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding how to vote on the Resolution set out in the Notice.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice and includes the Proxy Form located at the end of Explanatory Memorandum.

Please contact the Company Secretary on +61 418 847 175 if you wish to discuss any matter concerning the Meeting.

2 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

All Shareholders are invited and encouraged to attend the Meeting. If a Shareholder is unable to attend in person, they can appoint a proxy to attend on their behalf by signing and returning the Proxy Form (attached to the Notice) to the Company in accordance with the instructions on the Proxy Form. The Company encourages Shareholders completing a Proxy Form to direct the proxy how to vote on the Resolution.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting, i.e. by no later than 10:00 am on Monday, 26 November 2018. Any Proxy Form received after that time will not be valid for the Meeting.

A Proxy Form may be lodged in the following ways:

the financial statements.

Neither the Corporations Act nor the Constitution requires a vote of Shareholders on the reports or statements. However, Shareholders will be given the opportunity to ask questions or make comments on the reports and statements at the Meeting.

4 RESOLUTION 1 – RE-ELECTION OF PETER MOLONEY AS A DIRECTOR

Clause 48.1.2 of the Company's Constitution requires that at least one third of the Directors (excluding the Managing Director) retire each year by rotation. Peter Moloney was appointed as a non-executive director of the Company on 25 May 2012. In accordance with the Company's Constitution, Peter will retire by rotation at the Annual General Meeting.

Being eligible to stand and having consented to his candidature, Peter offers himself for re-election as a non-executive director of the Company at the Annual General Meeting, under Resolution 1.

Peter brings with him over 30 years' experience working in the financial markets. Peter holds a Diploma of financial services, and for over 20 years owned and managed a licensed financial services company dealing in the futures commodities markets around the world. After establishing the company in 1985, Peter managed the company which very quickly grew to be one of the most successful futures broking companies in Australia, with Peter becoming a licensed futures broker and a Full Associate Member of the Sydney Futures Exchange Ltd. Peter sold the business in November 2007.

Since 2007 Peter has provided investment opportunities to high net worth individuals and in 2010 established a hedge fund company to invest in Greenfields projects and other early opportunities including small capitalised ASX listed companies. The other directors believe Peter offers much strategic value to the Company and unanimously support Peter's re-election under Resolution 1.

5 RESOLUTION 2 – CONVERSION TO A PROPRIETARY COMPANY

Resolution 2 seeks Shareholder Approval, by special resolution, to convert Flinders from an unlisted public company limited by shares to a proprietary company limited by shares, pursuant to Section 162 of the Corporations Act.

To ensure compliance with the Corporations Act, Resolution 2 also seeks to change the Company's name from 'Flinders Exploration Limited' to 'Flinders Exploration Pty Ltd' pursuant to section 157 of the Corporations Act. If the Company does not convert to a proprietary company, it will not change its name.

5.1 Rationale for converting to a proprietary company

The Board has identified several advantages in the Company converting to a proprietary company, following the completion of the in-specie distribution. These include:

- (i) lower administrative costs;
- (ii) lower regulatory and compliance costs; and
- (iii) a more appropriate corporate structure for FEX's current asset base.

The primary disadvantages in converting to a proprietary company are that the Company will no longer be able to:

- (i) have more than 50 non-employee shareholders;
- (ii) engage in fundraising activity that would require disclosure to investors under Chapter 6D of the Corporations Act, except for an offer of its shares to:
 - existing shareholders of the company; or
 - employees of the company or of a subsidiary of the company

As the Company does not anticipate increasing its shareholder base beyond 50 members and has no current intention of engaging in fundraising activities which would require disclosure to investors under Chapter 6D of the Corporations Act, the Board believes that converting to a proprietary company is in the best interests of shareholders. The Board outlines its reasons for concluding this below.

Since incorporation on 26 November 2009, the Company's main objective had been to work towards developing profitable mineral deposits through a successful initial public offering, backdoor listing or reverse takeover on the Australian Securities Exchange (**ASX**). However, in recent years, due to a very difficult capital raising market, the Company has been unable to advance these objectives. Instead, the Company has focused its activities on the sale of its principal projects with a view to creating liquid assets which can be distributed to shareholders.

To achieve the revised objectives the Company sold its two projects, Black Cat and Marymia via executed Tenement Sale Agreements to Beacon Minerals Limited (**BCN**) and Gladiator Resources Limited (**GLA**) respectively for shares in BCN and GLA. \$200,000 cash was also paid by BCN under the BCN Tenement Sale Agreement, to which the Company received \$180,000 and the other 10% owner, Jaurdi Hills Mining Pty Ltd, received \$20,000. The \$180,000 cash consideration was contributed to the working capital of the Company and was applied to the costs of the transaction and other general working capital purposes. In September 2017, the Company took up a placement of 25 million GLA shares at \$0.004 for \$100,000 to create another listed investment, with possible upside, which could be distributed to Shareholders.

On 18 April 2018, the Company's Shareholders voted on and approved, the in-specie



distribution of the GLA shares (from the sale and placement) and BCN shares to Flinders Shareholders. 28 million shares in GLA were distributed to shareholders on 15 May 2018, and 13 million BCN shares were distributed to shareholders on 28 June 2018.

Prior to the distribution, the Company sought relief from ASIC to modify the Corporations Act to facilitate shareholder trading in the distributed shares, despite the shares not having been issued under a prospectus. This relief was granted by ASIC and you are free to deal in the distributed shares as you please.

Following the completion of the in-specie distribution, the Company has no main undertaking and holds limited assets. Notwithstanding this, the Company is still subject to a high burden of regulatory and corporate compliance requirements as an unlisted public company, including among other burdens, the financial reporting requirements for public companies under Chapter 2M of the Corporations Act.

In contemplation of the Company's current position in the market, the Directors do not see any clear commercial advantage in the Company remaining a public company limited by shares and believe it appropriate to convert to a proprietary company limited by shares.

Moving forward, the Company intends to identify and acquire one or more suitable mineral exploration projects and, where exploration leads to a new ore discovery, the Company intends to develop the project into a profitable mining operation.

The Company can pursue this objective as either a public or a proprietary company and that there will be no foreseeable detriment to the Company in pursuing this objective as a proprietary company.

5.2 Requirements for conversion

To convert to a proprietary company limited by shares, a public company must meet the following requirements of a proprietary company detailed in Section 113 of the Corporations Act:

- have no more than 50 non-employee shareholders;
- not engage in any activity that would require disclosure to investors under Chapter 6D, except for an offer of its shares to:
 - existing shareholders of the company; or
 - employees of the company or of a subsidiary of the company.

In recent months, the Board has taken the necessary steps to ensure the Company meets the above form requirements, to allow Flinders to convert to a proprietary company.

5.3 Special resolutions

To convert to a proprietary company, the members of a public company must also approve the conversion at a members' meeting by passing a special resolution. For a special resolution to pass, at least 75% of the votes cast at the meeting must be cast in favour of the resolution.

5.4 When the change officially occurs

Pursuant to subsection 164(3) of the Corporations Act, ASIC is required to publish a notice in the Commonwealth Gazette that states that it intends to alter the details of the company's registration. One month after the notice is published in the Gazette the change to company type will take place.

5.5 Other information

The Board confirms the following about the Company:

- (i) as at the date of this Notice, there are 50 non-employee current shareholders on the Company Register;
- (ii) will not engage in any activity that would require disclosure to investors under Chapter 6D, except for an offer of its shares to:
 - existing shareholders of the company; or
 - employees of the company or of a subsidiary of the company;
- (iii) the Board unanimously recommends that shareholders vote in favour of the resolution; and
- (iv) if the resolution is not passed, the Company will remain a public company limited by shares.

The Board is not aware of any other information material to the decision as to whether to vote in favour of this resolution.

6 RESOLUTION 3 – ADOPTION OF NEW CONSTITUTION

Subject to the passing of Resolution 2 of this Notice, and for the purposes of section 136 of the Corporations Act, Resolution 3 seeks approval, by special resolution, for the Company to adopt the proposed constitution, as the Constitution of the Company in substitution for and to the exclusion of the existing Constitution of the company.

The proposed constitution can be viewed on the Company's website, www.fexploration.com, and will be provided to members on request at no charge. The proposed constitution will be produced to the meeting and signed by the chairperson for identification purposes.

If Resolution 3 is approved, the proposed constitution will be adopted as the Company's Constitution with effect from the date on which ASIC alters the registration details of the



company to a proprietary company.

The proposed constitution is of a form that is typical to and suitable for the purposes of a proprietary company limited by shares. The proposed constitution also refers to the Company by its new name, Flinders Exploration Pty Ltd.

If Resolution 3 is passed, the proposed constitution will replace the existing constitution with effect from the time of the alteration of the details of the Company's registration by ASIC to reflect the change of the Company's type to a proprietary company limited by shares.

Shareholders are encouraged to read the proposed constitution in full and copies of both the existing Constitution and the proposed Constitution will be provided to shareholders free of charge on request.

7 RECOMMENDATION

The directors believe that the benefits of converting to a proprietary company outweigh any foreseeable disadvantages in ceasing to be a public company and that the proposed conversion is in the best interests of shareholders. The directors also support the re-election of Peter Moloney as a director of the Company. The directors therefore unanimously recommend that shareholders vote in favour of all of the resolutions under this Notice.

8 DEFINITIONS

In this Notice and Explanatory Memorandum:

ACDT	Australian Central Daylight Time
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
BCN	means Beacon Minerals Limited (ACN 119 611 559).
Board	means the Board of Directors.
Company	means Flinders Exploration Limited (ACN 140 351 033).
Constitution	means the existing constitution of the Company as amended.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended.
Director	means a director of the Company.
Explanatory Memorandum	means the explanatory memorandum attached to this Notice.
Flinders	means Flinders Exploration Limited (ACN 140 351 033).
GLA	means Gladiator Resources Limited (ACN 101 026 859).
Meeting	Means the meeting convened by this Notice (as adjourned from time to time).
Notice	means this notice of meeting.
Proposed Constitution	the regulations contained in the printed document produced to the meeting and signed by the chairperson for identification purposes (and available on the Company's website) that are proposed to be adopted



pursuant to Resolution 3 of this Notice as the new constitution of the company in substitution for and to the exclusion of the existing Constitution of the company.

Proxy Form

means the proxy form attached to this Notice.

Resolution

means a resolution set out in the Notice.

Share

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

Shareholder

means a holder of a Share.



FLINDERS EXPLORATION LIMITED
ACN 140 351 033

PROXY FORM

The Company Secretary
Flinders Exploration Limited

By post:

By facsimile:
(08) 8464 5299

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We _____

of _____

being a Shareholder/Shareholders of the Company and entitled to _____
votes in the Company, hereby appoint:

The Chairman of the Meeting (mark box) **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and address of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

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 on my/our behalf at the Meeting of the Company to be held at the offices of KMT Partners, 31 Hauteville Terrace, Eastwood SA 5063 at 10:00 am (ACDT) on 28 November 2018 and at any adjournment or postponement of the Meeting 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.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an .

Step 2 – Instructions as to Voting on Resolutions

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

	For	Against	Abstain
Resolution 1 – Re-Election of Peter Moloney as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Conversion to a proprietary company (special	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

resolution)

Resolution 3 – Adoption of new constitution (special resolution)

* 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.

Authorised signature/s

This section *must* be signed in accordance with the instructions below to enable your voting instructions to be implemented.

The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹ Insert name and address of Shareholder

Proxy Notes:

A Shareholder entitled to attend and vote at the Annual General Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Annual General Meeting. If the Shareholder is entitled to cast 2 or more votes at the Annual General Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Annual General Meeting, the representative of the body corporate to attend the Annual General Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Annual General Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the Annual General Meeting (AECD).

Postal address: PO Box 781, Kent Town SA 5071

Facsimile: (08) 8464 5299 if faxed from within Australia or +618 8464 5299 if faxed from outside Australia.