

Notice of 2016 Annual General Meeting



10.00am on Friday 21 October 2016
McCullough Robertson Lawyers
Level 11, 66 Eagle Street
Brisbane, Queensland

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Graphitecorp Limited ACN 157 690 830 (**Company**) will be held at:

Location	McCullough Robertson, Level 11, 66 Eagle Street, Brisbane, Queensland
Date	Friday 21 October 2016
Time	10.00am (Brisbane time)

Ordinary Business

Financial statements and reports

To consider and receive the financial report, the Directors' report and the auditor's report for the year ended 30 June 2016.

Directors' remuneration report

To consider and, if in favour, pass the following resolution in accordance with section 250R(2) Corporations Act:

- 1 'That the Remuneration Report be adopted.'

Note: This Resolution shall be determined under section 250R(2) Corporations Act. Votes must not be cast on this Resolution by Key Management Personnel and closely related parties in contravention of section 250R or 250BD Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this Resolution.

Re-election of Mr Gregory Baynton

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 2 'That Mr Gregory Baynton, who retires by rotation in accordance with Listing Rule 14.5 and rule 19.3(a) of the Company's constitution, and being eligible, be re-elected as a Director of the Company.'

Note: Information about Mr Baynton appears in the Explanatory Memorandum.

The Directors (with Mr Baynton abstaining) unanimously recommend that you vote in favour of this Resolution.

Re-election of Mr Anthony Bellas

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 3 'That Mr Anthony Bellas, who retires by rotation in accordance with Listing Rule 14.5 and rule 19.3(a) of the Company's constitution, and being eligible, be re-elected as a Director of the Company.'

Note: Information about Mr Bellas appears in the Explanatory Memorandum.

The Directors (with Mr Bellas abstaining) unanimously recommend that you vote in favour of this Resolution.

Special business

Approval of allotment and issue of Shares under the JV Transaction

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 4 'That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 15,528,818 fully paid ordinary shares under the JV Transaction, announced by the Company on 29 August 2016, as detailed in the Explanatory Memorandum.'

Note: The Company will disregard any votes cast by or on behalf of Exco Resources Limited and any of its associates.

The Directors unanimously recommend that you vote in favour of this Resolution.

Approval of allotment and issue of Shares under the Placement

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 5 'That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 500,000 fully paid ordinary shares under the Placement, announced by the Company on 29 August 2016, as detailed in the Explanatory Memorandum.'

Note: The Company will disregard any votes cast by or on behalf of Exco Resources Limited and any of its associates.

The Directors unanimously recommend that you vote in favour of this Resolution.

Grant of Options to Mr Philip St Baker

To consider and, if in favour, to pass the following as an ordinary resolution:

- 6 'That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and all other purposes, Shareholders approve the grant of 7,000,000 Options and issue of 7,000,000 Shares on exercise of those Options to Mr Philip St Baker (Managing Director of Graphitecorp), on the terms outlined in the Explanatory Memorandum.'

Note: The Company will disregard any votes cast by Mr St Baker and any of his associates.

The Directors (with Mr St Baker abstaining) unanimously recommend that you vote in favour of this Resolution.

Dated: 20 September 2016

By order of the Board



Suzanne Yeates
Company Secretary

Notes

- (a) A Shareholder who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy.
- (b) The proxy need not be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (d) KMP (or their closely related parties) (as defined in the Corporations Act) appointed as a proxy must not vote on a resolution connected directly or indirectly with the remuneration of KMP if the proxy is undirected unless:
 - (i) the proxy is the person chairing the Meeting; and
 - (ii) the proxy appointment expressly authorises the person chairing the Meeting to vote undirected proxies on that resolution.
- (e) If the proxy form specifies the way the proxy is to vote on a particular resolution the proxy need not vote on a show of hands but if the proxy does so, it must vote as specified in the proxy form.
- (f) If the proxy has two or more appointments that specify different ways to vote on the resolution the proxy must not vote on a show of hands.
- (g) If the proxy is the chair of the Meeting, the proxy must vote on a poll or must vote the way specified in the proxy form.
- (h) If the proxy is not the chair of the Meeting the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as specified in the proxy form.
- (i) If the proxy form specifies the way the proxy is to vote on a particular resolution and the proxy is not the chair of the Meeting and a poll is demanded and either:
 - (i) the proxy is not recorded as attending; or
 - (ii) the proxy does not vote,
 the chair of the Meeting is deemed the proxy for that resolution.
- (j) A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the Meeting.
- (k) The Company has determined under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that for the purpose of voting at the Annual General Meeting or an adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 7:00pm (Sydney time) on Wednesday, 19 October 2016.
- (l) If you have any queries on how to cast your votes, please call Suzanne Yeates (Company Secretary) on +61 438 173 330 during business hours.

Voting restrictions

The Company will, in accordance with the Listing Rules and Corporations Act, disregard any votes cast:

Resolution 1 - Directors' Remuneration Report	by or on behalf of a member of the Key Management Personnel (KMP) or a closely related party of such a member. If you are a member of KMP or closely related relative of a member of KMP (or acting on behalf of them) and purport to cast a vote that will be disregarded by the Company, you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.
Resolution 4 - Approval of allotment and issue of Shares under the JV Transaction	by or on behalf of Exco Resources Limited and any of its associates.
Resolution 5 - Approval of allotment and issue of Shares under the Placement	by or on behalf of Exco Resources Limited and any of its associates.
Resolution 6 - Grant of options to Mr Philip St Baker	by or on behalf of Mr St Baker and any of his associates.

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Memorandum

Graphitecorp Limited ACN 157 690 830 (**Company**)

This Explanatory Memorandum accompanies the notice of Annual General Meeting of the Company to be held at the office of McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland on Friday 21 October 2016 at 10.00am (Brisbane time).

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

Financial statements and reports

- 1 The *Corporations Act 2001* (Cth) (**Corporations Act**) requires that the report of the Directors, the auditor's report and the financial report for the year ended 30 June 2016 be laid before the Annual General Meeting.
- 2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the financial statements and reports.
- 3 Shareholders will be given a reasonable opportunity at the meeting to raise questions and make comments on these reports.
- 4 In addition to asking questions at the meeting, Shareholders may address written questions to the chairman about the management of the Company or to the Company's auditor, BDO Audit, if the question is relevant to:
 - (a) the content of the auditor's report; or
 - (b) the conduct of its audit of the annual financial report to be considered at the meeting.

Note: Under section 250PA(1) Corporations Act, a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

- 5 Written questions for the auditor must be delivered by 5.00 pm on Friday, 14 October 2016. Please send any written questions for BDO Audit to:

The Company Secretary
GPO Box 525
BRISBANE QLD 4001

or via email to: contact@graphitecorp.com.au

- 6 The financial report, the Directors' report and the auditor's report are contained in the Annual Report and available on the Company's website www.graphitecorp.com.au.

Resolution 1: Remuneration Report

- 7 The Corporations Act requires that the Remuneration Report be put to a vote of Shareholders.
- 8 The Resolution of Shareholders is advisory only and not binding on the Company. The Board will take the discussion at the meeting into consideration when determining the Company's remuneration policy and appropriately respond to any concerns Shareholders may raise in relation to remuneration issues.

- 9 The Remuneration Report:
- (a) reports and explains the remuneration arrangements in place for non-executive Directors, executive Directors and senior management; and
 - (b) explains Board policies in relation to the nature and value of remuneration paid to non-executive Directors, executives and senior managers within the Company.
- 10 The Chairman will give Shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.
- 11 The Remuneration Report is contained in the Annual Report. A copy of the Annual Report is available on the Company's website www.graphitecorp.com.au.

Directors' Recommendation

- 12 As Resolution 1 relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, makes no recommendation regarding Resolution 1.

Resolutions 2 and 3: Election of Directors

- 13 Rule 19.3(a) of the Company's Constitution, when read together with Listing Rule 14.5, requires the Company to hold an election or re-election of Directors at every Annual General Meeting. Provided no new Director is standing for election, the Directors to retire under rule 19.3(a) of the Constitution are those who have been in office the longest since being appointed.
- 14 In accordance with the Company's Constitution and Listing Rule 14.5, Mr Baynton and Mr Bellas having been last appointed as Directors of the Company on 6 November 2015 and, being eligible, offer themselves for re-election.

Resolution 2: Re-election of Gregory Baynton

- 15 Mr Baynton founded Graphitecorp in April 2012. He has been a Director of Australian exploration companies for over 18 years. He is founder and Executive Director of the investment and advisory firm, Orbit Capital and is also currently a Non-Executive Director of Superloop Limited.
- 16 Mr Baynton holds a Bachelor of Business (Accountancy), a Master of Economic Studies (UQ), a Post-graduate Diploma in Applied Finance and Investment (SIA), and a Masters of Business Administration in New Venture Management (QUT) and has experience in: investment banking, merchant banking, infrastructure investment, public company directorships, Queensland Treasury, and the Department of Mines and Energy.

Directors' Recommendation

- 17 The Directors (with Mr Baynton abstaining), unanimously recommend the re-appointment of Mr Baynton to the Board.

Resolution 3: Re-election of Mr Anthony Bellas

- 18 Mr Bellas was appointed as Chairman of the Company on 11 August 2015. He brings almost 30 years of experience in the public and private sectors. Mr Bellas was previously CEO of the Seymour Group, one of Queensland's largest private investment and development companies. Prior to joining the Seymour Group, Mr Bellas held the position of CEO of Ergon Energy, a Queensland Government-owned corporation involved in electricity distribution and retailing. Before that, he was CEO of CS Energy, also a Queensland Government-owned corporation and the State's largest electricity generation company, operating over 3,500 MW of gas-fired and coal-fired plant at four locations.

- 19 Mr Bellas is also Chairman of Corporate Travel Management Limited, ERM Power Limited and Shine Corporate Ltd and a Director of Loch Exploration Pty Ltd, West Bengal Resources (Australia) Pty Ltd and the Endeavour Foundation.
- 20 In 2000, Mr Bellas was heavily involved in formulating the Queensland State Government's energy strategy as assistant under Treasurer, being responsible for the Industry and Energy Division of Queensland Treasury.

Directors' Recommendation

- 21 The Directors (with Mr Bellas abstaining), unanimously recommend the re-appointment of Mr Bellas to the Board.

Resolutions 4 and 5: Approval of allotment and issue of Shares under the JV Transaction and Placement

Background

- 22 As announced to the market on 29 August 2016, the Company and its joint venture partner, a wholly owned subsidiary of Washington H. Soul Pattinson and Company Limited (**WHSP**) (ASX: SOL), have reached an agreement to merge WHSP's joint venture interest in the Mount Dromedary Graphite Project (**Project**) into Graphitecorp in return for new Shares in the Company.
- 23 As part of the transaction arrangements, Graphitecorp and Exco Resources Limited (**Exco**), the joint venture Partner, entered into a development rights agreement, pursuant to which WHSP has agreed to grant Graphitecorp certain development rights and to relinquish its own priority rights over the project area in exchange for the issue of Shares in Graphitecorp (**JV Transaction**).
- 24 In addition, Graphitecorp and Exco have entered into a placement agreement, pursuant to which WHSP has agreed to invest further cash into Graphitecorp at \$0.60 per fully paid ordinary share by way of a private placement (**Placement**), settlement of which will occur contemporaneous with settlement of the JV Transaction.
- 25 Under the JV Transaction, WHSP will be issued 15,528,818 Shares in Graphitecorp which, together with the shares to be issued under the Placement, will give WHSP voting power of 18.73% in Graphitecorp on completion of the transaction.
- 26 The Placement and JV Transaction are subject to the Company obtaining Shareholder approval under Resolutions 4 and 5.

Listing Rule 7.1

- 27 Listing Rule 7.1 provides that, subject to certain exemptions, prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.
- 28 The purpose of Resolutions 4 and 5 is for Shareholders to approve, in accordance with Listing Rule 7.1, the issue of Shares to WHSP pursuant to the JV Transaction and Placement, which will otherwise count towards the 15% limit under Listing Rule 7.1. Additional information regarding the JV Transaction and Placement and the disclosure required by Listing Rule 7.3 is set out below.

Resolution 4: Approval of allotment and issue of Shares under the JV Transaction

- 29 Resolution 4 seeks Shareholder approval for the issue of 15,528,818 fully paid ordinary shares to WHSP under the JV Transaction (**JV Shares**).

- 30 The JV Shares will be issued in consideration of WHSP granting the rights that it currently holds as a 20% joint venture participant in the Project to Graphitecorp and agreeing to extinguish the metal rights that it holds over the area of the proposed mining lease for the Project (refer to section 8.2 of Graphitecorp's Replacement Prospectus dated 10 November 2015 for a description of those rights).
- 31 WHSP has agreed that the JV Shares will be subject to voluntary escrow until 3 December 2017. The escrow arrangement is subject to customary carve-outs in the event that a takeover bid or other control transaction is made for Graphitecorp.
- 32 If Shareholder approval is obtained, the Company intends to issue the JV Shares within five days after the Annual General Meeting, but in any event no later than three months after the Annual General Meeting. The JV Shares will be issued on the same terms as, and rank equally with, the existing issued Shares in the Company.

Directors' Recommendation

- 33 The Directors unanimously recommend that Shareholders vote in favour in Resolution 4.

Resolution 5: Approval of allotment and issue of Shares under the Placement

- 34 In addition to the JV Shares, the Company also proposes to issue WHSP 500,000 fully paid ordinary shares at \$0.60 per Share by way of private placement (**Placement Shares**). The funds raised under the Placement will be used to help advance development of the Project.
- 35 If Shareholder approval is obtained, the Placement Shares will be issued in conjunction with the JV Shares and will rank equally with the existing Shares in the Company. The Company intends to issue the JV Shares and Placement Shares within five days after the Annual General Meeting, but in any event no later than three months after the Annual General Meeting.
- 36 Under the placement agreement, and for so long as WHSP or its related body corporate holds voting power in the Company of at least 10%, WHSP will be entitled to appoint a nominee director to the Board. As announced on 29 August 2016, if Shareholder approval is obtained and the transaction completes, WHSP will appoint Mr Robert Cooper as its nominee to the Board.

Directors' Recommendation

- 37 The Directors unanimously recommend that Shareholders vote in favour in Resolution 5.

Resolution 6: Grant of Options to Mr Philip St Baker

- 38 As announced to the market on 23 June 2016, the Board has agreed, subject to obtaining Shareholder approval, to grant a total of 7,000,000 incentive options (**Options**) to the Company's Managing Director, Mr Philip St Baker.
- 39 The key terms of the Options are as follows:
- (a) each Option will convert into one Share;
 - (b) the Options will be issued for no consideration;
 - (c) the Options will not be transferrable other than with the written consent of the Board;
 - (d) the Options vest and are exercisable as follows:

	Tranche 1	Tranche 2	Tranche 3
Number of Options	2,000,000 Options	3,000,000 Options	2,000,000 Options
Exercise Price	\$0.30 per Share	\$0.30 per Share	\$0.30 per Share
Vesting Date	Any time on or before the Tranche 1 Expiry Date provided the Tranche 1 Vesting Price Trigger has been satisfied	Any time on or before the Tranche 2 Expiry Date provided the Tranche 2 Vesting Price Trigger has been satisfied	Any time on or before the Tranche 3 Expiry Date provided the Tranche 3 Vesting Price Trigger has been satisfied
Expiry Date	31 December 2017	30 June 2019	30 June 2019
Vesting Price Trigger	VWAP of Shares traded on the ASX over any ten consecutive trading day period meets or exceeds \$0.50 per Share any time on or before the Tranche 1 Expiry Date	VWAP of Shares traded on the ASX over any ten consecutive trading day period meets or exceeds \$0.90 per Share any time on or before the Tranche 2 Expiry Date	VWAP of Shares traded on the ASX over any ten consecutive trading day period meets or exceeds \$1.20 per Share any time on or before the Tranche 3 Expiry Date

- 40 The Options will also vest in the event of a change of control, which will be deemed to occur if any person holds voting power in Graphitecorp of 50% or more.

Listing Rule 10.11

- 41 Listing Rule 10.11 requires Shareholder approval for any issue of securities by a listed company to a related party. Accordingly, the purpose of Resolution 6 is for Shareholders to approve the grant of Options to Mr St Baker. Importantly, if approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1 and the grant of Options will not be included in the Company's 15% annual placement capacity.
- 42 In compliance with the disclosure requirements of Listing Rule 10.13, Shareholders are advised of the following additional particulars in relation to the issue of the Options:

Allottee	Mr Philip St Baker (or his nominee)
Maximum number of securities to be issued	7,000,000 Options
Date by which the Options will be issued	If Shareholder approval is obtained, the Company intends to issue the Options within five days after the Annual General Meeting, but in any event no later than one month after the Annual General Meeting.
Terms of Shares issued upon exercise of the Options	Any Shares issued upon exercise of the Options will be issued on the same terms as, and rank equally with, the existing issued Shares in the Company.
Intended use of funds raised	As the Options will be issued for no consideration no funds will be raised from the issue of the Options. Funds raised through the exercise of the Options will be used for advancement of the Company's Projects and for additional working capital.

Financial benefit

- 43 In addition to Listing Rule 10.11, section 208(1) of the Corporations Act also provides that a public company must not, without shareholder approval, give a financial benefit to a related party. Mr St Baker is a related party of the Company for the purpose of section 228(2) of the Corporations Act and the issue of Options constitutes giving a financial benefit.
- 44 The giving of this financial benefit is designed to incentivise Mr St Baker to maximise the Company's development and growth and to retain his services within the Company. The Company also considers that equity based incentives, such as the Options, assists in the alignment of Shareholders and Director's interests. On this basis the Company believes the giving of the benefit, as constituted by the issue of Options to Mr St Baker, is in the best interests of the Company and its Shareholders.
- 45 The information below is provided in accordance with sections 217 to 227 of the Corporations Act.

Valuation of the financial benefit

- 46 The financial benefit of the Options has been valued for accounting purposes using the Monte-Carlo simulation methodology as at 22 June 2016. The valuation of an option calculated by the Monte Carlo methodology is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk free interest rate, the volatility of the Company's underlying Share price, expected dividends and the correlations and volatilities of the peer group companies.
- 47 Inherent in the application of the Monte Carlo methodology are a number of inputs, some of which must be assumed. The data relied upon in applying the methodology is set out in the table below.

	Tranche 1	Tranche 2	Tranche 3
Exercise price	\$0.30	\$0.30	\$0.30
Underlying Share price	\$0.30 ¹	\$0.30 ¹	\$0.30 ¹
Grant date	22 June 2016	22 June 2016	22 June 2016
Expiry date	31 December 2017	30 June 2019	30 June 2019
Term	1.5 years	3 years	3 years
Vesting price trigger	\$0.50	\$0.90	\$1.20
Volatility	99.68%	91.48%	91.48%
Dividend yield	0%	0%	0%
Risk-free rate	3.25%	2.75%	2.75%

¹The closing price of Shares in Graphitecorp immediately after the agreement to grant the Options was entered into.

- 48 Using the Monte Carlo simulation methodology and the inputs set out above, the Options have been ascribed the following values:

	Tranche 1	Tranche 2	Tranche 3
Call Option Value	\$0.13	\$0.15	\$0.13
Total Fair Value	\$260,000	\$450,000	\$260,000

49 It is important to note that the above values are considered to represent the theoretical value for the Options only, and that any change in the variables applied in the Monte Carlo methodology between the date of the valuation and the date the Options are granted would have an impact on their value.

Mr St Baker's interest in Graphitecorp and remuneration package

50 Mr St Baker currently has an interest (either directly or indirectly) in:

- (a) 7,976,903 Shares, which are all subject to ASX restriction until 2 December 2017; and
- (b) 1,562,500 performance rights, which all are subject to ASX restriction until 2 December 2017.

51 If Shareholders approve this Resolution 6, the effect will be to dilute the holdings of existing Shareholders by an equivalent amount as follows:

	Current share capital ¹		Share capital on exercise of the Options	
	Shares	%	Shares	%
Mr St Baker	7,976,903	9.3%	14,976,903	16.2%
Existing Shareholders	77,589,962	90.7%	77,589,962	83.8%
Total	85,566,865	100%	92,566,865	100%

¹As at 30 August 2016, and assuming Resolutions 4 and 5 are approved by Shareholder.

52 Excluding the value of the Options, Mr St Baker's salary package is \$300,000 per annum (in recognition of a 60% time commitment), comprising \$150,000 per annum cash salary (inclusive of superannuation) and performance rights under the Company's performance rights plan with a value of \$150,000 per annum as follows:

	2016 Tranche	2017 Tranche
Number of performance rights	812,000	750,000
Vesting Conditions	Graphitecorp's share price closes at \$0.40 on 31 December 2016 ¹	Graphitecorp's share price closes at \$0.80 on 31 December 2017
Vesting Date	31 December 2016 ²	31 December 2017

¹Rights will vest on a pro rata basis if, in respect of the 2016 Tranche, Graphitecorp's share price closes above \$0.20 but below \$0.40 and, in respect of the 2017 Tranche, Graphitecorp's share price closes above \$0.40 but below \$0.80.

²If any 2016 rights do not vest, then the vesting date for those rights is automatically extended to 31 December 2017 and will vest (or lapse) on the same basis as the 2017 Tranche rights.

Directors' Recommendation

53 The Directors (with Mr St Baker abstaining) unanimously recommend that you vote in favour Resolution 6.

Glossary

Capitalised terms in this Notice of Meeting and Explanatory Memorandum have the meaning set out below:


Term	Definition
Annual General Meeting	means the Company's annual general meeting the subject of this Notice of Meeting.
Annual Report	means the 2016 annual report of the Company.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	means the board of directors of the Company.
Company	means Graphitecorp Limited ACN 157 690 830.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	means the <i>Corporations Regulations 2001</i> (Cth).
Directors	means the directors of the Company.
Exco	means Exco Resources Limited ACN 080 339 671.
Explanatory Memorandum	means the explanatory memorandum attached to the Notice of Meeting.
JV Shares	has the meaning set out in paragraph 29.
JV Transaction	has the meaning set out in paragraph 23.
Key Management Personnel	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	means the listing rules of ASX.
Notice of Meeting	means the notice of meeting and includes the Explanatory Memorandum.
Options	has the meaning set out in paragraph 38.
Placement	has the meaning set out in paragraph 24.
Placement Shares	has the meaning set out in paragraph 34.
Project	means the Mount Dromedary Graphite Project.
Remuneration Report	means the section of the Directors' report for the 2015 financial year that is included under section 300A(1) Corporations Act.
Shares	means the fully paid ordinary shares in the capital of the Company.
Shareholder	means a person who is the registered holder of Shares.
WHSP	means Washington H. Soul Pattinson and Company Limited ACN 000 002 728.
VWAP	means volume weighted average price.


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Graphitecorp Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Graphitecorp Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

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 of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act 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 the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am on Friday, 21 October 2016 at McCullough Robertson, Level 11, 66 Eagle St, Brisbane QLD 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).


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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Directors' remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of allotment and issue of Shares under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Gregory Baynton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Grant of Options to Mr Philip St Baker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Anthony Bellas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of allotment and issue of Shares under the JV Transaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 * If you mark the Abstain box for a particular Item, 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, either shareholder may 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).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the 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. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item 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 item 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 the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

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 the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second 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
- (b) return both forms together.

SIGNING INSTRUCTIONS

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

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

CORPORATE REPRESENTATIVES

If a representative of the 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 form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Wednesday, 19 October 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Graphitecorp Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

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