
EUMERALLA RESOURCES LIMITED

ACN 148 860 299

NOTICE OF GENERAL MEETING

TIME: 10.00 am (WST)

DATE: 24 July 2015

PLACE: Level 1, 330 Churchill Avenue, Subiaco, Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9328 6262.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 10.00 am (WST) on 24 July 2015 at:

Level 1
330 Churchill Avenue
Subiaco
Western Australia

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) on 22 July 2015.

Voting in person

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

Voting by proxy

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

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to

exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

PURPOSE OF THE MEETING

On 26 May 2015, the Company received two separate requests to call a general meeting to consider various resolutions relating to the removal of existing directors of the Company and the election of new directors of the Company.

The requests were issued under section 249D of the Corporations Act 2001 by Michael Hynes (who is also a director of the Company) and Asia Pacific Investment Partners Hong Kong Limited (**APIP**).

Section 249D of the Corporations Act provides a process by which a member who holds at least 5% of the votes in a company may require the company to convene a general meeting to consider the resolutions requested by that member. Each of Michael Hynes and APIP hold at least 5% of the votes that may be cast at a general meeting of the Company.

To minimise costs, confusion and inconvenience to Shareholders, and given the matters to be considered at the meeting are related, the Company has decided to consider all of the valid resolutions requested by Michael Hynes and APIP in a single meeting.

Resolutions 1-5

Resolutions 1-5 are the resolutions requested by Michael Hynes. The resolutions are for the removal of David Wheeler, James Hyndes and Jack James as directors of the Company and the appointment of Jeffrey Bennett and Campbell Sallabank as directors of the Company.

Michael Hynes also requested a resolution to remove any other directors appointed between the date the request was issued to the Company and the conclusion of the general meeting. No other directors have been appointed prior to the date of the meeting and accordingly this resolution will not be put to shareholders.

Further, Michael Hynes requested a resolution to appoint himself as a director of the Company in event he has been removed as a director of the Company prior to the date of the meeting. As at the date of the meeting, Michael Hynes remains a director of the Company and accordingly this resolution will not be put to shareholders.

David Wheeler, James Hyndes and Jack James recommend Shareholders vote AGAINST Resolutions 1-5.

Michael Hynes recommends Shareholders vote IN FAVOUR of Resolutions 1-5.

Resolution 6

Resolution 6 is the resolution requested by APIP. The resolution is for the removal of Michael Hynes as director of the Company.

APIP also requested a resolution to re-elect Jack James as director of the Company in accordance with the constitution of the Company. If Resolution 3 to remove Jack James is not passed by Shareholders and Jack James remains a director of the Company as at the next annual general meeting of the Company, the resolution to re-elect Jack James by shareholders will be considered at the next annual general meeting of the Company in accordance with clause 11.11 of the Constitution.

David Wheeler, James Hyndes and Jack James recommend Shareholders vote IN FAVOUR of Resolution 6

Michael Hynes recommends Shareholders vote AGAINST Resolution 6.

The Notice of Meeting and Explanatory Statement are important documents and should be read in their entirety.

Statement of Requisitioning Shareholders

Section 249P of the Corporations Act permits the shareholders who have requisitioned the meeting (Michael Hynes and APIP) to submit a statement for circulation to shareholders regarding the resolutions and any other matter that may be properly considered at the meeting.

Each of Michael Hynes and APIP have provided the Company with a statement under section 249P and these statements are included in Schedule 2 and 3 to the Explanatory Statement.

Please note that the contents of these statements represent the views of Michael Hynes and APIP respectively, and do not necessarily represent the views of the Company.

Statement by Existing Directors

Section 203D(4) of the Corporations Act provides that a director who is the subject of a proposed resolution for their removal from office is entitled to submit a statement for circulation to shareholders.

Michael Hynes has exercised his right under section 203D(4) by electing to repeat his statement made under section 249P of the Corporations Act, as enclosed at Schedule 2.

Biographies of Existing Directors and Nominee Directors

Biographies of all existing Directors and the persons nominated by Michael Hynes and APIP for election as director of the Company (as applicable) are set out in Schedule 1 to the Explanatory Statement.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – REMOVAL OF DAVID WHEELER AS A DIRECTOR

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

“That David Wheeler be removed as a director of the Company with immediate effect.”

2. RESOLUTION 2 – REMOVAL OF JAMES HYNDES AS A DIRECTOR

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

“That James Hyndes be removed as a director of the Company with immediate effect.”

3. RESOLUTION 3 – REMOVAL OF JACK JAMES AS A DIRECTOR

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

“That Jack James be removed as a director of the Company with immediate effect.”

4. RESOLUTION 4 – APPOINTMENT OF JEFFREY BENNETT AS A DIRECTOR

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

“That Jeffrey Bennett, having consented to act, be appointed as a director of the Company with immediate effect.”

5. RESOLUTION 5 – APPOINTMENT OF CAMPBELL SALLABANK AS A DIRECTOR

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

“That Campbell Sallabank, having consented to act, be appointed as a director of the Company with immediate effect.”

6. RESOLUTION 6 – REMOVAL OF MICHAEL HYNES AS A DIRECTOR

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

“That Michael Hynes be removed as a director of the Company with immediate effect.”

Dated: 16 June 2015

By order of the Board pursuant to requisitions under section 249D of the Corporations Act 2001 (Cth).

A handwritten signature in black ink, appearing to be 'Tim Slate', written over a faint, illegible stamp or background.

**Tim Slate
Company Secretary
Eumeralla Resources Limited**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – REMOVAL OF DAVID WHEELER AS A DIRECTOR

The notice issued by Michael Hynes under section 249D of the Corporations Act requested a resolution to remove David Wheeler as a Director.

In accordance with the requirements of the Constitution and the Corporations Act, the Company has put Resolution 1 to the meeting to allow Shareholders to vote on the removal of David Wheeler as a Director.

Shareholders are advised that David Wheeler is the appointed nominee of APIP to the Board of the Company pursuant to the terms of an agreement between the Company and Belgravia Mining LLC (an entity controlled by APIP) dated 16 August 2011.

Section 203D(1) of the Corporations Act provides that, for the purposes of a resolution under section 203D to remove a director of a public company, if that director was appointed to represent the interests of a particular shareholder, the resolution to remove the director does not take effect until a replacement to represent the shareholder's interests has been appointed.

Accordingly, if the Resolution to remove David Wheeler is approved by Shareholders, the removal of David Wheeler would take effect only upon the appointment by the Board of a successor nominee director of APIP.

2. RESOLUTION 2 – REMOVAL OF JAMES HYNDES AS A DIRECTOR

The notice issued by Michael Hynes under section 249D of the Corporations Act requested a resolution to remove James Hyndes as a Director.

In accordance with the requirements of the Constitution and the Corporations Act, the Company has put Resolution 2 to the meeting to allow Shareholders to vote on the removal of James Hyndes as a Director.

3. RESOLUTION 3 – REMOVAL OF JACK JAMES AS A DIRECTOR

The notice issued by Michael Hynes under section 249D of the Corporations Act requested a resolution to remove Jack James as a Director.

In accordance with the requirements of the Constitution and the Corporations Act, the Company has put Resolution 3 to the meeting to allow Shareholders to vote on the removal of Jack James as a Director.

4. RESOLUTION 4 – APPOINTMENT OF JEFFREY BENNETT AS A DIRECTOR

The notice issued by Michael Hynes under section 249D of the Corporations Act requested a resolution to appoint Jeffrey Bennett as a Director.

In accordance with the requirements of the Constitution and the Corporations Act, the Company has put Resolution 4 to the meeting to allow Shareholders to vote on the appointment of Jeffrey Bennett as a Director.

5. RESOLUTION 5 – APPOINTMENT OF CAMPBELL SALLABANK AS A DIRECTOR

The notice issued by Michael Hynes under section 249D of the Corporations Act requested a resolution to appoint Campbell Sallabank as a Director.

In accordance with the requirements of the Constitution and the Corporations Act, the Company has put Resolution 5 to the meeting to allow Shareholders to vote on the appointment of Campbell Sallabank as a Director.

6. RESOLUTION 6 – REMOVAL OF MICHAEL HYNES AS A DIRECTOR

The notice issued by APIP under section 249D of the Corporations Act requested a resolution to remove Michael Hynes as a Director.

In accordance with the requirements of the Constitution and the Corporations Act, the Company has put Resolution 6 to the meeting to allow Shareholders to vote on the removal of Michael Hynes as a Director.

GLOSSARY

\$ means Australian dollars.

APIP means Asia Pacific Investment Partners Hong Kong Limited, a Shareholder who issued a notice of requisition to the Company under section 249D of the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Company means Eumeralla Resources Limited (ACN 148 860 299).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

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

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – EXISTING AND PROPOSED DIRECTOR BIOGRAPHIES

Existing Directors

David Wheeler

David Wheeler has more than 30 years' executive management experience, through general management, CEO and managing director roles across a range of companies and industries. Mr Wheeler has worked on business projects in the USA, UK, Europe, New Zealand, China, Malaysia, and the Middle East (Iran). David has been a Fellow of the Australian Institute of Company Directors (FAICD) since 1990. Mr Wheeler is also a director of ASX listed Oz Brewing Limited.

James Hyndes

James Hyndes has a Bachelor of Economics and Bachelor of Asian Studies from the Australian National University.

Mr Hyndes has around 15 years' experience in capital markets having worked as a Director of number of Investment banks. His roles have included working as a Director of Equity Sales in locations such as London, South Korea and Hong Kong. He is currently a partner at an Asian based private equity firm.

Jack James

Jack James has a Bachelor of Business from the Queensland University of Technology and is a Chartered Accountant.

Mr James is the founding partner of Palisade Business Consulting, which provides accounting, secretarial and advisory advice to private and public companies, government and other stakeholders. Mr James has over 15 years' experience in chartered accounting specialising in corporate advisory and reconstruction. Prior to establishing Palisade Business Consulting in 2012, he held senior roles in Ernst & Young and KordaMentha.

Michael Hynes

Michael Hynes has a Bachelor of Business in Economics and Finance from RMIT University.

Mr Hynes has had over 20 years' experience in capital markets. From July 2007 until March 2010, Michael was Head of Australian Equity Sales at Citigroup Singapore. That role also encompassed regional account Management responsibilities. From September 2001 until April 2007, Mr Hynes was Head of Australian Equity Sales at Credit Suisse Singapore. The latter carried with it regional account management responsibilities.

Mr Hynes is currently the Executive Director at Redhill Capital Partners (Singapore) Ltd which focuses on Venture Capital, Private Equity, corporate finance and consultancy.

Prior to moving to Singapore, Mr Hynes also worked with ABN AMRO Melbourne (previously BZW Australia) in equity sales.

Proposed Directors

Campbell Sallabank, BE(Melb), MBA, GAICD Age 49

Campbell's early career included engineering, management and consulting roles at BHP Billiton (AI&S), Ford Australia and IMR where he spent 4 years based in France with clients including PetroFina, France Telecom, Norsk Hydro, Legrand and Nortel. Upon returning to Australia he worked with BCG offshoot Australian Consulting Partners (ACP) including with News Ltd and Southcorp Wines Ltd. He then founded and sold into an IPO the Pay TV sales and installation company Communications Magic (now ASX:BSA Ltd). His subsequent roles and ventures include MD of Australian #5 ISP Hotkey, CEO of iPrimus which included portfolio businesses AOL7, Planet Domain and Eclipse and CEO of Online Recruitment business LinkMe.

Campbell is currently MD of venture advisory and investment firm XSallarate, Chairman of Cosmetics Now Ltd (HK) and advisor to a group of technology businesses. He also holds not-for-profit board positions in scouting, AFL and snowsport.

Jeffrey Bennett

Jeff Bennett (B Comm, FCPA) brings significant experience in corporate finance, capital markets, acquisitions and divestments and risk management to the company. Jeff is currently the CFO at UXC Professional Solutions, a subsidiary of UXC Limited, the largest Australian-owned ICT services company. Jeff was the founding Chairman of Jameson Resources between the periods December 2007 – November 2011, taking the company from a start-up to prefeasibility stage on a number of projects. Jeff stepped down in November 2011 and is now a non-executive director. He has over 25 years' experience in the resources, transport, IT and service industries having held senior financial positions at BHP and Shell. Jeff is also a non-executive director of Entellect Limited.

SCHEDULE 2 – MICHAEL HYNES STATEMENT

GrilloHiggins
SOLICITORS

Section 249P Corporations Act 2001 (Cth)
REQUEST FOR DISTRIBUTION OF A MEMBER'S STATEMENT

TO: The Directors and Company Secretary
Eumeralla Resources Limited
C/- Palisade Business Consulting (CS) Pty Ltd
Level 1, 330 Churchill Avenue
SUBIACO WA 6008

For the purposes of Section 249P of the *Corporations Act 2001 (Cth) (Act)*, Mr Michael John Hynes (*Requisitioning Shareholder*), being a shareholder of Eumeralla Resources Limited (ACN 126 963 719) (*Company*), who at midnight before the date on which this request is given to the Company, holds at least 5% of the votes which may be cast at a general meeting of the Company, hereby gives notice of his request that the Company circulates the attached member's statement to all members of the Company in respect of the General Meeting requisitioned by Michael John Hynes pursuant to section 249D of the Act on about the time of giving this notice.

Date: **26 May 2015**

Signed by **MICHAEL JOHN HYNES**:


MICHAEL JOHN HYNES

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Dear fellow shareholders,

Your Board needs urgent changes to prevent the blocking of new opportunities, dilution of your shareholding and erosion of shareholder funds.

As a Director and major shareholder of our company, I am giving notice of my intention under section 203D of the *Corporations Act 2001* (Cth) and requisitioning a meeting under section 249D of the *Corporations Act 2001* (Cth) to have the current Board removed and to appoint new Directors.

The current board has overseen a share slide from 22c to barely 3.5c wiping out 85% of shareholder value over the past three years. Cash reserves have now been depleted by 76% from \$3,500,000 to approximately \$850,000.

Eumeralla desperately needs change. Please find below a detailed account of the current situation and future strategy.

Background

Eumeralla Resources Limited (*the Company*) currently holds two main projects:

- the Ovoot Project in Mongolia; and
- a 400km² Tin and Tungsten concession in Kayah State in Myanmar.

The Company's main focus has been on obtaining an exploration permit for its Myanmar concession while it monitors the overall business environment in Mongolia.

As CEO of the Company, I have been actively seeking potential new business opportunities for the Company which would:

- add value for all shareholders;
- allow the Company to continue its Myanmar strategy and the benefits of that project;
- provide further funding for the continued development of the Company.

After conducting a search, one particular opportunity passed preliminary screening and high level due diligence. I presented this opportunity to the Board on 8 May 2015.

The exact details of that project are subject to confidentiality provisions but, in summary, the opportunity presented the following advantages:

- a portfolio of quality advanced stage gold assets located in ASIA Pac with a JORC resource
- subject to due diligence, the project would enable EUM to announce drilling results within 6 weeks and target production within three years;
- allows the Myanmar operations to operate as a parallel strategy;
- provides immediate funding and access to skilled personnel;

Following consideration of the proposal, the Board unanimously resolved to enter into a 21-day non-binding MOU to conduct due diligence. As CEO, I commenced due diligence and engaged an independent geologist to provide a report.

Bizarrely, at a Board meeting on 21 May 2015, prior to completion of due diligence or submission of the independent geologist report my co-Directors James Hyndes and David Wheeler (with myself dissenting) resolved as follows:

- terminate the MOU without completing due diligence. No basis for termination of the MOU was offered by my fellow directors;
- re-appoint Jack James as a non-executive director notwithstanding receipt of his resignation just one week earlier re-creating a four man Board wasting shareholder funds on Non Exec salaries.

The Problems

1. Excessive board expenses:
 - money has continued to be expended on director's fees and travel expenses (including approximately 50 visits to Myanmar by director James Hyndes at considerable cost to the Company) with no tangible benefit to date.
2. Dwindling Cash
 - 75% of the Company's cash reserve has now dwindled from \$3.5 million at IPO to approximately \$850,000 without any exploration been conducted;
 - A concrete plan that would significantly improve the cash position and potentially deliver significant uplift in shareholder value has been blocked.
3. Lack of Growth Vision
 - James Hyndes and David Wheeler (both non-Exec Directors) did not give due consideration to a key value creating opportunity presented to them as it potentially threatened their own positions, and have not attempted to present any alternative proposal.
4. Inhibited Execution
 - the Company is in urgent need of diversification of its operations while at the same time James Hyndes and David Wheeler have now terminated a high-quality opportunity without any announced plan.
5. Threat of Dilution
 - I believe there is a real threat to current shareholders that a low priced Rights issue may be undertaken that precludes many shareholder groups and has significant potential to push the share price down to even lower levels to the benefit of a small few.

The New Vision

1. A new board
 - Campbell Sallabank BE (Melb), MBA, GAICD and Jeffrey Bennett BCom, CPA are proposed to join myself with all other directors to be removed.

- Providing a combined 80 years of experience in raising capital, strategy development, engineering, mineral exploration, business turn-arounds, financial control, mergers and acquisitions and most importantly growing shareholder value
- Forming a functional and constructive board to act in the best interests of ALL shareholders

2. Stop the Cash Drain

- All unnecessary travel to be ceased immediately
- No longer will travel, accommodation and related expenses be incurred to hold board meetings
- Review all costs

3. New growth Strategies

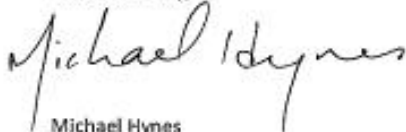
- Review and either exit or build on the current two business activities
- Engage other potential opportunities to grow the business

As a shareholder and Director, I am concerned that the Board as a whole is not acting in good faith or the best interests of all shareholders. It has failed to give due consideration to new opportunities and blocked moves to consider new projects that would increase cash reserves in an attempt to protect their own positions ahead of shareholders. No alternative asset or funding options have been tabled by James Hyndes and David Wheeler

I am proposing resolutions removing James Hyndes, David Wheeler and Jack James. I am also proposing that Mr Jeffrey Bennett and Campbell Sallabank be appointed as replacement directors. These gentlemen have the skills to navigate the Company through its next phase of diversification and growth (see attached biographies).

In order to save your company from asset and capital mismanagement and to open a new era of shareholder hope, I strongly recommend shareholders vote in favour of Resolutions 1-5 set out in the Notice of Meeting and against Resolution 6.

Yours sincerely,



Michael Hynes

Major Shareholder and Director

Eumeralla Resources Ltd

SCHEDULE 3 – APIP STATEMENT

1

To: **EUMERALLA RESOURCES LIMITED**
ACN 148 860 299
Level 1, 330 Churchill Avenue
SUBIACO WA 6008 ("COMPANY")

REQUEST FOR DISTRIBUTION OF MEMBERS STATEMENT UNDER SECTION 249P OF THE CORPORATIONS ACT 2001 ("REQUEST")

The shareholder named below, as the registered holder of not less than 5% of the total voting rights of all members of the Company at the date of the Request ("Shareholder"), hereby request that the Company circulates the attached Member's Statement to all members of the Company in respect of the General Meeting requisitioned by the Shareholder on 26 May 2015.

Dated this 9th day of June 2015

Signatures of the members of the Company who are giving this notice / requests:

Name of Shareholder: Asia Pacific Investment Partners Hong Kong Limited

Executed by the Shareholder:

*EXECUTED by Asia Pacific Investment)
Partners Hong Kong Limited)
acting by either two directors or one)
director and the company secretary)*



Director Signature

Lee Cashell
Print Name



Director/Secretary Signature

Brendan Beaudin
Print Name

Dear Fellow Shareholders,

Statement to Members of Eumeralla Resources Ltd ("Company") by Asia Pacific Investment Partners Hong Kong Ltd ("APIP")

APIP would like to set out the primary reasons why it considers the current constitution of the Board of the Company needs to change, and, more specifically, why APIP has proposed resolutions seeking the removal of Mr Michael Hynes as a director of the Company.

From the outset, it should be noted that APIP regrets that the time and resources of the Company are being used to resolve differences between Mr Hynes and his fellow Board members. However, the actions of Mr Hynes to have these issues publicly played out as part of a process under s249D of the Corporation Act has left APIP with no choice but to also engage in that same process.

- Mr Hynes has been the custodian of the Company as CEO and Executive Director since January 2011.
- Since that time, Mr Hynes has been paid more director's fees and wages (until recently, \$150,000 plus costs per annum) than any other director of the Company.
- The period in which Mr Hynes has presided as the CEO and Executive Director of the Company has seen a significant reduction in the value of the Company and significant destruction of shareholder value.
- To the knowledge of APIP, Mr Hynes had never visited the Company's primary assets in Mongolia.
- Following concerns held by APIP in respect of the operation of the Company under Mr Hynes' stewardship (concerns which were also shared by other shareholders at the time), it elected to exercise its right to appoint a nominee director to the Board of the Company. APIP appointed Mr David Wheeler in October 2014 with a view to observing and rectifying the poor financial performance of the Company under Mr Hynes.
- Among the first actions taken by the Board of the Company upon Mr Wheeler's appointment was to reduce the excessive and unnecessary spending of the Company under Mr Hynes' direction (including but not limited to significantly limiting the amounts which Mr Hynes was being paid by the Company), and to focus the Company's attention on its existing assets in order to preserve shareholder value. This necessarily involved giving consideration to, and ultimately voting against, various proposals put by Mr Hynes to incur further liability in respect of new mining projects which, in the view of all Board members other than Mr Hynes, were uncommercial and not in the best interests of the Company or its shareholders.

- APIP remains concerned by the recent behaviour of Mr Hynes towards his fellow Board members which has resulted in considerable Boardroom disharmony, and that the continuation of the Board in its current form is untenable.
- It is clear to APIP that the actions of Mr Hynes in seeking to remove his fellow directors and replace them with his own nominees is a direct reaction to the restriction of the salary and benefits which Mr Hynes had been enjoying from the Company, and his inability to unilaterally decide on the direction of the Company.
- It must also be noted that, in the view of APIP, what Mr Hynes has done by commencing the statutory process of seeking to remove his fellow directors and replacing them with his own nominees has put the Company to considerable cost and risk. APIP considers that the manner in which this process has been handled by Mr Hynes is completely self serving and inappropriate, and not in the best interests of the Company or its shareholders. It is APIP's view that Mr Hynes' behaviour is totally unacceptable from an officer of the Company bound by the fiduciary duties to act in the best interests of the Company and its shareholders.

All shareholders should share the concerns held by APIP in respect of allowing Mr Hynes and his nominees to take control of the Board of the Company, and should only need to review the historic performance of the Company under Mr Hynes' stewardship as CEO and Executive Director to conclude that his position is no longer tenable.

It is the view of APIP that the Company needs a harmonious Board which is united in its objective of decreasing the unnecessary expenditure which have been a hallmark of Mr Hynes' time as CEO and Executive Director of the Company. The independent directors of the Board should be able to focus on the preservation of the current assets of the Company, and able to operate free from distraction to determine the most appropriate actions the Company can take to increase the value of the Company for all shareholders.

In order for this to be achieved, the resolutions proposed by Mr Hynes seeking to replace his fellow non-executive Board members with his own nominees should be rejected, and the resolutions proposed by APIP seeking to remove Mr Hynes as a director and ratify the appointment of Mr Jack James should be accepted.

Yours Sincerely



Lee Cashell
CEO and Chairman
Asia Pacific Investment Partners Hong Kong Ltd

PROXY FORM

**EUMERALLA RESOURCES LIMITED
ACN 148 860 299**

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.00 am (WST), on 24 July 2015 at Level 1, 330 Churchill Avenue, Subiaco, Western Australia, and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies against Resolutions 1-5 and in favour of Resolution 6. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Removal of David Wheeler as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Removal of James Hyndes as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Removal of Jack James as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Appointment of Jeffrey Bennett as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Appointment of Campbell Sallabank as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Removal of Michael Hynes as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

**Consent for contact by e-mail
in relation to this Proxy Form:** YES NO

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to the Company, Level 1, 330 Churchill Avenue, Subiaco WA 6008; or
 - (b) facsimile to the Company on facsimile number +61 8 9227 6390,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time may be invalid.