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# Bellevue

**G O L D L I M I T E D**

**BELLEVUE GOLD LIMITED**  
**ACN 110 439 686**

## **NOTICE OF GENERAL MEETING**

**The General Meeting of the Company will be held at  
Level 3, 24 Outram Street, West Perth, Western Australia on  
Monday, 7 January 2019 at 9.00am (WST).**

*The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 6424 8077.*

**Shareholders are urged to attend or vote by lodging the proxy enclosed with the Notice.**

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# BELLEVUE GOLD LIMITED

ACN 110 439 686

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## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Bellevue Gold Limited (**Company**) will be held at Level 3, 24 Outram Street, West Perth, Western Australia on Monday, 7 January 2019 at 9.00am (WST) (**Meeting**).

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

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 as Shareholders on Saturday, 5 January 2019 at 5:00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### 1. Resolution 1 - Ratification of prior issue of Placement Shares

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

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 45,588,236 Shares at \$0.34 each to raise approximately \$15,500,000 (before costs) on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person (and any nominee of such a person) who participated in the issue of the Shares, or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

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## 2. Resolution 2 - Approval to issue Long Term Incentives to Directors

To consider and, if thought fit, to pass with or without amendment, each as a separate ordinary resolution the following:

*"That pursuant to and in accordance with Listing Rule 10.11, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of Performance Rights to Directors (or their respective nominees) as follows:*

- (a) up to 3,000,000 Performance Rights to Mr Ray Shorrocks;
- (b) up to 7,000,000 Performance Rights to Mr Steve Parsons; and
- (c) up to 1,500,000 Performance Rights to Mr Michael Naylor,

*on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of:

- (a) Resolution 2(a) by or on behalf of Mr Ray Shorrocks (and his nominees), or any of their respective associates;
- (b) Resolution 2(b) by or on behalf of Mr Steve Parsons (and his nominees), or any of their respective associates; and
- (c) Resolution 2(c) by or on behalf of Mr Michael Naylor (and his nominees), or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair 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.

### **Voting Prohibitions**

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on these Resolutions if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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Further, in accordance with section 224 of the Corporations Act, a vote on these Resolutions must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

**BY ORDER OF THE BOARD**



Michael Naylor  
**Company Secretary**  
Dated: 5 December 2018

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# BELLEVUE GOLD LIMITED

ACN 110 439 686

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## EXPLANATORY MEMORANDUM

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### 3. Introduction

The 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 Level 3, 24 Outram Street, West Perth, Western Australia on Monday, 7 January 2019 at 9.00am (WST).

The Explanatory Memorandum forms part of the Notice, which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 4	Action to be taken by Shareholders
Section 5	Resolution 1 - Ratification of prior issue of Placement Shares
Section 6	Resolution 2 - Approval to issue Long Term Incentives to Directors
Schedule 1	Definitions
Schedule 2	Terms and conditions of Performance Rights
Schedule 3	Valuation of Performance Rights

A Proxy Form is located at the end of the Explanatory Memorandum.

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### 4. Action to be taken by Shareholders

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

#### 4.1 Voting in person

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

#### 4.2 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) 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:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) 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;
- (iii) 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 (i.e. as directed); and
- (iv) 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 (i.e. as directed).

(c) Transfer of non-chair proxy to chair in certain circumstances

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

- (i) 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;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either 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.

#### 4.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250BD and 250R of the Corporations Act, votes on Resolutions 2(a), (b) and (c) must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolutions 2(a), (b) or (c) if the vote is not cast on behalf of a person who is excluded from voting on the relevant Resolution and:

- (c) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

#### 4.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of *all* Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 2(a), (b) or (c) by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

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## 5. Resolution 1 - Ratification of prior issue of Placement Shares

### 5.1 General

On 26 October 2018, the Company announced that it had received commitments for a placement to raise approximately \$15 million before costs (**Placement**) by the issue of Shares at \$0.34 each (**Placement Shares**) to sophisticated and professional investors (**Placement Participants**).

On 2 November 2018, the Company issued 45,588,236 Placement Shares to Placement Participants using the Company's placement capacity under Listing Rule 7.1 to raise \$15,500,000 (before costs).

Resolution 1 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

Resolution 1 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 1.

### 5.2 Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

The effect of Shareholders passing Resolution 1 will be to restore the Company's ability to issue further Equity Securities, to the extent of 45,588,236 Equity Securities, during the next 12 months without the requirement to obtain prior Shareholder approval.

### 5.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of Placement Shares:

- (a) a total of 45,588,236 Placement Shares were issued;
- (b) the Placement Shares were issued at \$0.34 per Share;
- (c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued to the Placement Participants, none of whom is a related party of the Company. Canaccord Genuity (Australia) Limited acted as sole lead manager and bookrunner to the Placement, and Sprott Capital Partners and Patersons Securities Limited acted as co-managers to the Placement;
- (e) the proceeds from the issue of the Shares are intended to be used for ongoing exploration at the Company's flagship Bellevue Gold Project, as well as for costs of the Placement and general working capital; and
- (f) a voting exclusion statement is included in the Notice.

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## 6. Resolution 2 - Approval to issue Long Term Incentives to Directors

### 6.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue a total of up to 11,500,000 Performance Rights to Messrs Ray Shorrocks, Steve Parsons and Michael Naylor (or to their respective nominees) as part of their remuneration as Directors of the Company (**Performance Rights**) as follows:

Director	Class E Performance Rights	Class F Performance Rights	TOTAL
Ray Shorrocks	1,500,000	1,500,000	3,000,000
Steve Parsons	3,500,000	3,500,000	7,000,000
Michael Naylor	750,000	750,000	1,500,000
<b>TOTAL</b>	<b>5,750,000</b>	<b>5,750,000</b>	<b>11,500,000</b>



Subject to the terms and conditions in Schedule 2, the Performance Rights will vest as follows:

- (a) Class E Performance Rights will vest on the date that the Company announces on the ASX a positive definitive feasibility study for the Bellevue Gold Project; and
- (b) Class F Performance Rights will vest on the date that the Company announces on the ASX first gold pour being achieved at the Bellevue Gold Project,

and will expire 5 years from the date of issue.

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Performance Rights is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Performance Rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

In addition, the current Directors, whilst they have been Directors, have not been issued Long Term Incentives.

The resolutions which form part of Resolution 2 seek the approval of Shareholders pursuant to Listing Rule 10.11 for the issue of the Performance Rights to the Directors or their respective nominees.

Resolutions 2(a), (b) and (c) are ordinary resolutions.

The Directors decline to make a recommendation to Shareholders in relation to the resolutions which form part of Resolution 2 due to their material personal interests in the outcome of the Resolutions.

## 6.2 Listing Rule 10.11

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

Messrs Shorrocks, Parsons and Naylor are related parties of the Company by virtue of their position as Directors. As the issue of Performance Rights to the Directors (or their respective nominees) involves the issue of Performance Rights to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Performance Rights will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

## 6.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Performance Rights:

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- (a) a maximum of 11,500,000 Performance Rights will be issued to Directors Ray Shorrocks, Steve Parsons and Michael Naylor (or their respective nominees), in the proportions set out in Section 6.1 above;
  - (b) the Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
  - (c) the Performance Rights will be issued for nil cash consideration as they will be issued as part of the Directors' remuneration packages;
  - (d) the Performance Rights will be issued on the terms set out in Schedule 2;
  - (e) the Performance Rights will be issued for nil cash consideration and therefore no funds will be raised as a result of the issue; and
  - (f) a voting exclusion statement is included in the Notice.

#### 6.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Performance Rights constitutes giving a financial benefit and Messrs Shorrocks, Parsons and Naylor are related parties of the Company by virtue of being Directors.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Performance Rights proposed to be issued to the Directors pursuant to Resolutions 2(a), (b) and (c).

#### 6.5 Information requirements for Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Performance Rights:

- (a) **Identity of the related parties to whom the resolutions which form part of Resolution 2 permit financial benefits to be given**

The Performance Rights will be issued to Messrs Ray Shorrocks, Steve Parsons and Michael Naylor, or their respective nominees.

- (b) **Nature of the financial benefit**

The resolutions which form part of Resolution 2 seek approval from Shareholders to allow the Company to issue the Performance Rights in the amounts specified in Section 6.1 above to the Directors or their nominees. The

Performance Rights are to be issued on the terms and conditions in Schedule 2.

The Shares to be issued upon conversion of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Valuation of financial benefit**

The Company has obtained a valuation of the Performance Rights based on a Black & Scholes valuation model, as set out in Schedule 3. A summary of the valuation for each Director is set out below:

Director	Value of Performance Rights		
	Class E	Class F	TOTAL
Ray Shorrocks	\$660,000	\$660,000	\$1,320,000
Steve Parsons	\$1,540,000	\$1,540,000	\$3,080,000
Michael Naylor	\$330,000	\$330,000	\$660,000

(d) **Remuneration of Directors**

The total annual remuneration arrangements current for each of the Directors as at the date of this Notice are set out below:

Related Party	Salary and fees (inclusive of superannuation)	Short Term Incentive
Ray Shorrocks <sup>1</sup>	\$90,000	-
Steve Parsons <sup>2</sup>	\$328,500	\$273,750
Michael Naylor <sup>3</sup>	\$198,000	-

**Notes:**

1. Mr Shorrocks receives \$90,000 per annum for Non-Executive Chairman services.
2. Mr Parsons receives \$300,000 per annum plus superannuation as Managing Director. Refer to ASX announcement dated 19 October 2018 for more details. In November 2018, Mr Parsons received a short term cash incentive of \$250,000 plus superannuation.
3. Mr Naylor receives \$60,000 as Director fees. Mr Naylor, through Blue Leaf Corporate Pty Ltd (of which Mr Naylor is a director), also provides company secretarial, chief financial officer, accounts payable and payroll services to the Company for \$138,000 per annum plus GST.

(e) **Existing relevant interests**

At the date of this Notice, the Related Parties hold the following relevant interests in Equity Securities of the Company:

Related Party	Shares	Unquoted Options	Performance Rights
Ray Shorrocks <sup>1</sup>	1,403,450	7,500,000	-
Steve Parsons <sup>2</sup>	7,616,666	30,000,000	-
Michael Naylor <sup>3</sup>	700,000	-	2,000,000

**Notes:**

1. Options exercisable at \$0.1365 each on or before 27 October 2020.
2. Options comprised of 15,000,000 Options exercisable at \$0.035 each on or before 31 March 2020 and 15,000,000 Options exercisable at \$0.04 each on or before 31 March 2020.
3. Performance Rights are subject to the following vesting conditions and will expire on 21 March 2021:
  - (a) 500,000 Performance Rights will vest upon adoption of Board approved Health, Safety, Environment and Community Policy and no serious accidents as result of a failure in HSEC procedures up to 31 December 2018;
  - (b) 500,000 Performance Rights will vest upon achievement all of the following:
    - (i) adoption of Board approved corporate governance policies and procedures Board approved risk matrix; and
    - (ii) no suspensions by the ASX for breach of reporting guidelines or corporate governance transgressions up to 31 December 2018; and
  - (c) 1,000,000 Performance Rights will vest upon 24 months' continuous employment or consulting from the award of the rights.

Assuming that Resolutions 2(a), (b) and (c) are approved by Shareholders, all of the Performance Rights are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised, the respective interests of the Directors in the Company would be as follows:

- (i) Mr Shorrocks's interest would represent approximately 1.0% of the Company's expanded capital;
- (ii) Mr Parson's interest would represent approximately 3.2% of the Company's expanded capital; and
- (iii) Mr Naylor's interest would represent approximately 0.5% of the Company's expanded capital.

(f) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.50 per Share on 20 November 2018

Lowest: \$0.160 per Share on 18,19,20,21, 22 June 2018

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.455 per Share on 23 November 2018.

(g) **Dilution**

The issue of the Performance Rights will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Performance Rights vest and are exercised. The potential dilution effect is summarised below:

<b>Performance Rights</b>	<b>Dilutionary effect</b>
Class E	1.30%
Class F	1.30%

The above table assumes the current Share capital structure as at the date of this Notice (being 447,338,739 Shares on 13 November 2018) and that no Shares are issued other than the Shares issued on exercise of the Performance Rights. The exercise of all of the Performance Rights will result in a total dilution of all other Shareholders' holdings of 2.6% on a fully diluted basis (assuming that all Performance Rights are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Corporate governance**

Messrs Parsons and Naylor are executive directors of the Company and therefore the Board believes that the grant of the Performance Rights is in line with Recommendation 8.2 of the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board acknowledges the grant of the Performance Rights to non-executive Director and Chairman, Mr Shorrocks is contrary to Recommendation 8.2 of the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, the Board considers the grant of Performance Rights to Mr Shorrocks reasonable in the circumstances for the reasons set out in Section 6.1.

(i) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax).

(j) **Director recommendations**

The Directors decline to make a recommendation to Shareholders in relation to the resolutions which form part of Resolution 2 due to their material personal interests in the outcome of the Resolutions.

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 2(a), (b) and (c).

## Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

**ASX** means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Board** means the board of Directors.

**Chair** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Bellevue Gold Limited (ACN 110 439 686).

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

**Director** means a director of the Company.

**Equity Security** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of extraordinary general meeting.

**Option** means an option to acquire a Share.

**Placement** has the meaning given in Section 5.1.

**Placement Participants** has the meaning given in Section 5.1.

**Placement Shares** means the 45,588,236 Shares issued on 2 November 2018 to the Placement Participants under the Placement, which are the subject of Resolution 1.

**Performance Rights** means up to 11,500,000 performance rights to be issued to the Directors on the terms and conditions set out in Schedule 2, which are the subject of the resolutions which form part of Resolution 2.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution referred to in the Notice.

**Schedule** means a schedule to the Notice.

**Section** means a section of the Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**WST** means Western Standard Time being the time in Perth, Western Australia.

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## Schedule 2 - Terms and conditions of Performance Rights

The following terms and conditions apply to the Performance Rights:

1. **(Entitlement):** Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder, on exercise, to the issue of one Share.
2. **(Performance Hurdles):** Subject to these terms and conditions, the vesting of a Performance Right is subject to the satisfaction of the relevant Performance Hurdle specified below:

Performance Rights	Number	Performance Hurdles
Class E Performance Rights	5,750,000	The Company announces on the ASX a positive definitive feasibility study for the Bellevue Gold Project.
Class F Performance Rights	5,750,000	The Company announces on the ASX first gold pour being achieved at the Bellevue Gold Project.

3. **(Vesting):** The Performance Rights will vest on the date the Performance Hurdle relating to those Performance Rights has been satisfied. The Company will notify the holder in writing when the relevant Performance Hurdles have been satisfied (**Vesting Notice**).
4. **(No Consideration):** The Performance Rights will be granted for nil cash consideration and no consideration or exercise price will be payable upon the issue of Shares after vesting.
5. **(Expiry Date):** Each Performance Right will expire on the earlier to occur of:
  - (a) 5:00pm WST on the date which is 5 years after the date of grant; and
  - (b) the Performance Right lapsing and being forfeited under these terms and conditions,**(Expiry Date).** For the avoidance of doubt any vested but unexercised Performance Rights will automatically lapse on the Expiry Date.
6. **(Lapse):** Performance Rights will lapse and be forfeited in the following circumstances:
  - (a) upon the Board resolving that the relevant Performance Hurdle has become incapable of satisfaction, all unvested Performance Rights will automatically lapse;
  - (b) where a relevant Director holder of Performance Rights ceases employment, engagement or office with the Company or any of its subsidiaries, all unvested Performance Rights and vested but unexercised Performance Rights will automatically lapse;
  - (c) where a relevant Director holder of Performance Rights becomes insolvent, all unvested Performance Rights and vested but unexercised Performance Rights will automatically lapse;
  - (d) where, in the opinion of the Board, a relevant Director holder of Performance Rights acts fraudulently, or dishonestly, or wilfully breaches their duties to



the Company or any of its subsidiaries, the Board may deem all unvested Performance Rights to have lapsed; and

- (e) subject to the Listing Rules, if a relevant Director holder of Performance Rights and the Board have agreed in writing that some or all of that Director's unvested or vested but unexercised Performance Rights may be cancelled on a specified date or on the occurrence of a particular event, then the Board may cancel those Performance Rights on the relevant date or on the occurrence of the particular event (as the case may be).
7. **(Conversion):** Upon vesting, each Performance Right will, at the holder's election, convert into one Share. The holder may apply to exercise vested Performance Rights at any time prior to the Expiry Date by filling out a notice of exercise in the form provided by the Company and returning to the Company Secretary (**Notice of Exercise**).
  8. **(Transfer):** The Performance Rights are not transferable unless they have vested and only with the prior written approval of the Board and subject to compliance with the Corporations Act and the Listing Rules.
  9. **(Quotation):** No application for quotation of the Performance Rights will be made by the Company.
  10. **(Participation in entitlements and bonus issues):** Subject always to the rights under paragraphs 11 and 12, holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
  11. **(Adjustment for bonus issue):** If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Performance Rights to which the holder is entitled will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were exercised immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Listing Rules at the time of the bonus issue.
  12. **(Reorganisation of capital):** In the event that the issued capital of the Company is reconstructed, all the holder's rights as a holder of Performance Rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the holder's economic and other rights are not diminished or terminated.
  13. **(Dividend and voting rights):** The Performance Rights do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.
  14. **(Shares issued on exercise):** All Shares issued upon the exercise of Performance Rights will upon issue rank *pari passu* in all respects with the then Shares of the Company.
  15. **(Timing of issue of Shares and quotation of Shares on exercise):** As soon as practicable after the issue of a Notice of Exercise by the holder, the Company will:
    - (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
    - (b) if required, issue a substitute Certificate for any remaining unexercised Performance Rights held by the holder;

- (c) if required and subject to paragraph 16, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) in the event the Company is admitted to the official list of ASX, do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.

16. **(Restrictions on transfer of Shares):** If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on conversion of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

17. **(Change of Control Event):** Upon the occurrence of a Change of Control Event, then:

- (a) any unvested Performance Rights will automatically vest; and
- (b) to the extent Performance Rights have not been converted into Shares following satisfaction of a Performance Hurdle, Performance Rights will automatically convert to that number of Shares which when issued together with all Shares issued under any other class of Performance Rights then on issue in the Company, is equal to the lesser of one Share per Performance Right and 10% of the total Shares on issue at that time. Performance Rights that are not converted into Shares will continue to be held by the holder on the same terms and conditions.

18. **(Definitions):** For the purposes of these terms and conditions:

- (a) "Associate" has the same meaning as in section 12 of the Corporations Act.
- (b) "Change of Control Event" means:
- (i) a change in Control of the Company;
- (ii) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its Associates) owning more than fifty per cent (50%) of Issued Capital;
- (iii) where a person becomes the legal or the beneficial owner of, or has a Relevant Interest in, more than fifty per cent (50%) of Issued Capital;
- (iv) where a person becomes entitled to acquire, hold or has an equitable interest in more than fifty per cent (50%) of Issued Capital; and
- (v) where a Takeover Bid is made to acquire more than fifty per cent (50%) of Issued Capital (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates) already owns will amount to more than 50% of Issued Capital) and the Takeover Bid becomes unconditional and the bidder

(together with its Associates) has a Relevant Interest in more than 50% of Issued Capital,

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Company.

- (c) "**Company**" means Bellevue Gold Limited (ACN 110 439 686).
- (d) "**Control**" has the same meaning as in section 50AA of the Corporations Act.
- (e) "**Corporations Act**" means the *Corporations Act 2001* (Cth).
- (f) "**Issued Capital**" means issued Shares from time to time.
- (g) "**Relevant Interest**" has the meaning given in the Corporations Act.
- (h) "**Shares**" mean fully paid ordinary shares in the capital of the Company.
- (i) "**Takeover Bid**" has the meaning given in the Corporations Act.

Schedule 3 - Valuation of Performance Rights

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15 November 2018

Bellevue Gold Limited  
Level 3, 24 Outram Street  
West Perth WA 6005

**Attention: Michael Naylor**

**RE: Valuation of Bellevue Gold Ltd performance rights (individually a 'Right' and collectively the 'Rights')**

Dear Michael

## 1. Introduction

You have requested that we determine the fair market value of performance rights (the **Rights**) to be issued by Bellevue Gold Ltd (the **Company**) to directors and an executive on a date to be confirmed, in accordance with AASB 2 – Share Based Payment (the **Engagement**). For the purposes of our valuation we have used the report date as the valuation date (**Valuation Date**).

Our valuation, summarised below, concludes at a per right value for each class of the Rights, being Class E Performance Rights and Class F Performance Rights taking into consideration the probability of achievement of the non-market-based vesting conditions for each class of Rights.

The Rights you have asked us to value are part of an issue to Messrs. Shorrocks, Parsons and Naylor containing a maximum possible 11.5 million Rights.

A summary of the Rights you have asked us to value is attached as **Annexure 1**. Our valuation of the Rights as at the Valuation Date is contained in the following letter, including Annexures, and is subject to the attached statement of limiting conditions.

## 2. Summary of the Right(s)

- The Rights are to be issued to the abovenoted people on a date to be confirmed and are subject to shareholder approval at the Company's upcoming general meeting (to be held on or around 24 December 2018). For the purposes of our valuation, we have used key inputs as at the date of this report.
- The Rights have a term ending 5 years from the date of issue which we have assumed to be 15 November 2023.
- The Rights are subject to performance-based vesting conditions including non-market-based vesting conditions comprising two actions.
- Table 1 over the page contains a summary of the non-market-based vesting conditions and the number of ordinary shares to be issued on their achievement.

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**Table 1: Summary of the performance-based vesting conditions**

Class E	Class F	Total
5,750,000	5,750,000	11,500,000

Where: (a) Class E Performance Rights will vest when the Company announces a positive definitive feasibility study for the Bellevue Gold Project on the ASX; and  
 (b) Class F Performance Rights will vest when the Company announces the achievement of first gold pour at the Bellevue Gold Project on the ASX.

- We note that in Section 16 of Schedule 2 of a draft notice of meeting that we have reviewed, there is a restriction on the transfer of shares. We have not taken into consideration any possible diminution in value as a result of this restriction.

### 3. Summary of AASB 2 Share-based Payment

Table 2 below sets out the pertinent clauses of AASB 2 – Share-based Payment as they relate to the Rights.

**Table 2: AASB 2 – Share Based Payment**

AASB Paragraph	Comment
2 (a) <i>Applicable paragraph</i>	An entity shall apply this Standard in accounting for all share-based payment transactions, whether or not the entity can identify specifically some or all of the goods or services received, including: (a) equity-settled share-based payment transactions; (b) cash-settled share-based payment transactions; and (c) transactions in which the entity receives or acquires goods or services and the terms of the arrangement provide either the entity or the supplier of those goods or services with a choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, except as noted in paragraphs 3A-6. In the absence of specifically identifiable goods or services, other circumstances may indicate that goods or services have been (or will be) received, in which case this Standard applies.
22 <i>Corporate Advisory comment</i>	The Rights are equity-settled share-based payment transactions, in which the entity (Bellevue Gold Limited) receives goods or services (employment bonus of Bellevue Gold Limited executive) as consideration for equity instruments of the entity (including shares or share options).
10, 11 & 12	For equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless the fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

We believe that the entity cannot reliably measure the goods or services received by the employment of the Company’s directors and an executive along with the corresponding increase in equity. Accordingly, per clause 10, we have defaulted to measuring the goods

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Table 2: AASB 2 – Share Based Payment

AASB	Comment
Paragraph	<p>or services received and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.</p> <p>Given that the Rights essentially allow the holder to receive a fully-paid ordinary Bellevue Gold Limited share (whose value can be reliably estimated), subject to certain vesting criteria, we are of the view that the fair value of the equity instruments granted can be reliably estimated causing AASB 2 clauses 24 – 25 to be irrelevant.</p>
15 (b)	<p>If an employee is granted share options conditional upon the achievement of a performance condition and remaining in the entity’s employ until that performance condition is satisfied, and the length of the vesting period varies depending on when that performance condition is satisfied, the entity shall presume that the services to be rendered by the employee as consideration for the share options will be received in the future, over the expected vesting period. The entity shall estimate the length of the expected vesting period at the grant date, based on the most likely outcome of the performance condition. If the performance condition is a <i>market condition</i>, the estimate of the length of the expected vesting period shall be consistent with the assumption used in estimating the fair value of the options granted, and shall not be subsequently revised. If the performance condition is <i>not a market condition</i>, the entity shall revise its estimate of the length of the vesting period, if necessary, if subsequent information indicates that the length of the vesting period differs from previous estimates.</p> <p>We consider the Rights to have only non-market-based vesting criteria.</p>
16	<p>For transactions measured by reference to the fair value of the equity instruments granted, an entity shall measure the fair value of equity instruments granted at the measurement date, based on market prices if available, taking into account the terms and conditions upon which those equity instruments were granted (subject to the requirements of paragraphs 19-22).</p> <p>As the issuance of the Rights is subject to shareholder approval at the Company’s upcoming general meeting (to be held on or around 24 December 2018), we have used the date of this report as the Valuation Date for the purposes of this valuation. Further, Bellevue Gold limited shares opened at \$0.44 on the Valuation Date.</p>

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**Table 2: AASB 2 – Share Based Payment**

**AASB**

**Paragraph      Comment**

19      A grant of equity instruments might be conditional upon satisfying specified *vesting conditions*. For example, a grant of shares or share options to an employee is typically conditional on the employee remaining in the entity’s employ for a specified period of time. There might be performance conditions that must be satisfied, such as the entity achieving a specified growth in profit or a specified increase in the entity’s share price. Vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Hence, on a cumulative basis, no amount is recognised for goods or services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition, for example, the counterparty fails to complete a specified service period, or a performance condition is not satisfied, subject to the requirements of paragraph 21.

The granting of shares from exercise of the Rights is conditional upon a performance condition for each class of Rights, namely, the achievement of non-market-based vesting conditions comprising two actions. As a result, we have applied that estimated probability of achievement of the non-market-based performances conditions to the fair value of the Rights to determine the estimated number of equity instruments to be issued.

20      To apply the requirements of paragraph 19, the entity shall recognise an amount for the goods or services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and shall revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. On vesting date, the entity shall revise the estimate to equal the number of equity instruments that ultimately vested, subject to the requirements of paragraph 21.

Representatives of the Company have provided us with an estimate of achievement of each non-market-based vesting condition (expressed as a % probability) which we have applied to the fair value of the Rights to determine the number of equity instruments expected to be issued as at the Valuation Date.

21      Market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments granted. Therefore, for grants of equity instruments with market conditions, the entity shall recognise the goods or services received from a counterparty who satisfies all other vesting conditions (e.g. services received from an employee who remains in service for the specified period of service), irrespective of whether that market condition is satisfied.

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Table 2: AASB 2 – Share Based Payment

AASB Paragraph	Comment
	<p>We have determined that vesting of the Rights is not subject to market conditions and therefore, we do not consider this clause to be applicable to the Rights.</p>
AG B4	<p>For share options granted to employees, in many cases market prices are not available, because the options granted are subject to terms and conditions that do not apply to traded options. If traded options with similar terms and conditions do not exist, the fair value of the options granted shall be estimated by applying an option pricing model.</p> <p>We have used the Black-Scholes Option Pricing (<b>BSOP</b>) methodology to estimate the fair value of the Rights. The valuation under the BSOP methodology is discussed in the next section titled, <i>Valuation of the Rights</i>.</p>
AG B5	<p>The entity shall consider factors that knowledgeable, willing market participants would consider in selecting the option pricing model to apply. For example, many employee options have long lives, are usually exercisable during the period between vesting date and the end of the options' life, and are often exercised early. These factors should be considered when estimating the grant date fair value of the options. For many entities, this might preclude the use of the Black-Scholes-Merton formula, which does not allow for the possibility of exercise before the end of the option's life and may not adequately reflect the effects of expected early exercise. It also does not allow for the possibility that expected volatility and other model inputs might vary over the option's life. However, for share options with relatively short contractual lives, or that must be exercised within a short period of time after vesting date, the factors identified above may not apply. In these instances, the Black-Scholes-Merton formula may produce a value that is substantially the same as a more flexible option pricing model.</p> <p>There is substantial empirical evidence showing that the value a European call option (one that can be exercised only on expiry) and an American call option (one that can be exercised prior to expiry) are the same. A difference in values between an American and European option arise only from put options where the underlying company pays dividend. We consider the terms of the Rights to be sufficiently simple enough for the BSOP methodology to be an appropriate option pricing model to use in their valuation.</p>
AG B6	<p>All option pricing models take into account, as a minimum, the following factors:</p> <ul style="list-style-type: none"> <li>(a) the exercise price of the option;</li> <li>(b) the life of the option;</li> <li>(c) the current price of the underlying shares;</li> <li>(d) the expected volatility of the share price;</li> <li>(e) the dividends expected on the shares (if appropriate); and</li> <li>(f) the risk-free interest rate for the life of the option.</li> </ul> <p>In the following section titled, <i>Valuation of the Rights</i>, the above factors are taken into account in the valuation of the Rights.</p>

Table 2: AASB 2 – Share Based Payment

AASB Paragraph	Comment
AG B7	<p>Other factors that knowledgeable, willing market participants would consider in setting the price shall also be taken into account (except for vesting conditions and reload features that are excluded from the measurement of fair value in accordance with paragraphs 19-22).</p> <p>Per Section 16 of Schedule 2 of a draft notice of meeting that we have reviewed, there is a restriction on the transfer of shares. We have not taken into consideration any possible diminution in value as a result of this restriction.</p>

#### 4. Valuation of the Rights

In determining the fair value of the Rights we used the Black-Scholes Option Pricing (**BSOP**) methodology. Below we discuss each of the six key inputs used in the BSOP methodology and how they were determined. The key inputs used are summarised in **Annexure 2**.

- i. *Share price* – The underlying share price as at the Valuation Date was \$0.44.
- ii. *Exercise price* – The exercise price is \$0.00 as outlined in a draft notice of meeting that we have reviewed.
- iii. *Term* – The term of the Rights is 5 years as outlined in a draft notice of meeting that we have reviewed.
- iv. *Risk-free rate* – The risk-free rate was determined to be the yield-to-maturity of an Australian government bond on the Valuation Date with a term of equal duration of the Rights.
- v. *Dividend yield* – The dividend yield was assumed to be nil as no dividend has been paid by the Company or is forecast to be paid in the near future.
- vi. *Volatility<sup>1</sup>* – We calculated volatility to be 102%. Our calculation is attached as **Annexure 3**. We considered the Company's volatility in share price for the past 12, 24, 36, 48 and 60 months. The selected volatility of 102% is representative of the median volatility of the period examined.
- vii. *Non-market-based vesting condition 1* – based on information provided by the Company the announcement of a positive definitive feasibility study for the Bellevue Gold Project on the ASX has a 75% likelihood of occurring.
- viii. *Non-market-based vesting condition 2* – based on information provided by the Company the announcement of the first gold pour being achieved at the Bellevue Gold Project on the ASX has a 50% likelihood of occurring.

A detailed example of our valuation of the Rights using the BSOP methodology is attached as **Annexure 4**.

<sup>1</sup> Volatility is calculated as the annualised standard deviation of the continuously compounded percentage change in the daily average of the high/low share price.

6. Valuation Conclusions

Based on the above inputs and assumptions, the resulting fair value for a Right for each of the non-market-based vesting conditions is set out in Table 3 below:

<b>Table 3: Valuation Conclusions</b>				
<b>Performance Right</b>	<b>Value per Right (\$)</b>	<b>Probability of occurrence</b>	<b>Number of equity instruments</b>	<b>Estimated value per tranche of Rights (\$)</b>
Class E	0.44	75%	5,750,000	1,897,500
Class F	0.44	50%	5,750,000	1,265,000

Should you have any questions regarding anything contained in this letter please do not hesitate to contact me on 0438 739 046.

Yours faithfully




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Oliver Schweizer, CFA  
Director

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## STATEMENT OF LIMITING CONDITIONS

In accordance with professional ethics, our fees for this service are not contingent upon the opinions expressed herein. Information provided by management or its representatives in the course of this investigation has been accepted, without further verification, as correctly reflecting Bellevue Gold Limited's business conditions and operating results.

Financial and statistical information is from sources we deem reliable. We make no representation as to our sources' accuracy or completeness and have accepted their information without further verification.

The conclusions are based upon the assumption that present management will continue to maintain the character and integrity of Bellevue Gold Limited through any sale, reorganisation, or diminution of the owners' participation.

Our opinions expressed herein are valid only for the stated purpose and date of the appraisal. Though some similarities exist between the value as set forth for this purpose and others, it would be incorrect to use the opinions as determined herein for any other purpose due to specific timing, performance, and marketability issues. Accordingly, any such use of the conclusions as determined herein for other purposes would be inaccurate and possibly misleading.

Future services regarding the subject matter contained herein, including, but not limited to, testimony or attendance in court shall not be required of 22 Corporate Advisory Pty Ltd unless previous arrangements have been made in writing.

Neither all nor any part of the contents contained herein shall be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent and approval of 22 Corporate Advisory Pty Ltd.

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VALUERS' CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this letter are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinion, and conclusion.
- Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- No one provided significant professional assistance to the persons signing this certification other than other employees of 22 Corporate Advisory Pty Ltd.



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Oliver Schweizer, CFA

Director

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**Annexure 1**

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Summary of the Rights

**Annexure 1: Summary of the Rights**

	Class E	Class F	<b>Total</b>
<i>Ray Shorrocks</i>	1,500,000	1,500,000	3,000,000
<i>Steve Parsons</i>	3,500,000	3,500,000	7,000,000
<i>Michael Naylor</i>	750,000	750,000	1,500,000
<b>Total</b>	<b>5,750,000</b>	<b>5,750,000</b>	<b>11,500,000</b>

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**Annexure 2**

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Black-Scholes Inputs



**Annexure 2: Black-Scholes Inputs**

	<b>Term</b>	<b>Share price</b>	<b>Exercise price</b>	<b>Risk free rate</b>	<b>Dividend yield</b>	<b>Volatility</b>
Class E Performance Rights	5 yrs	\$0.44	\$0.44	2.33%	0.00%	102.00%
Class F Performance Rights	5 yrs	\$0.44	\$0.44	2.33%	0.00%	102.00%

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**Annexure 3**

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Calculation of Volatility

**Calculation of Volatility - 12 Month**

**Volatility**

End date	14/11/2018
Period (months)	12
Start date	15/11/2017

**Workings**

Beginning of period (Trading day)	15/11/2017
Trading days from most recent price date	1
Trading days in period	253
Standard deviation of LN( $\Delta P$ )	6%
Annualised Volatility	101.53%
Annualised Volatility (rounded)	102.00%

**Calculation of Volatility - 24 Month**

**Volatility**

End date	14/11/2018
Period (months)	24
Start date	15/11/2016

**Workings**

Beginning of period (Trading day)	15/11/2016
Trading days from most recent price date	1
Trading days in period	506
Standard deviation of LN( $\Delta P$ )	6%
Annualised Volatility	100.90%
Annualised Volatility (rounded)	101.00%

**Calculation of Volatility - 36 Month**

**Volatility**

End date	14/11/2018
Period (months)	36
Start date	15/11/2015

**Workings**

Beginning of period (Trading day)	16/11/2015
Trading days from most recent price date	1
Trading days in period	759
Standard deviation of LN( $\Delta P$ )	6%
Annualised Volatility	101.93%
Annualised Volatility (rounded)	102.00%

**Calculation of Volatility - 48 Month**

**Volatility**

End date	14/11/2018
Period (months)	48
Start date	15/11/2014

**Workings**

Beginning of period (Trading day)	17/11/2014
Trading days from most recent price date	1
Trading days in period	1,012
Standard deviation of LN( $\Delta P$ )	6%
Annualised Volatility	102.39%
Annualised Volatility (rounded)	102.00%

**Calculation of Volatility - 60 Month**

**Volatility**

End date	14/11/2018
Period (months)	60
Start date	15/11/2013

**Workings**

Beginning of period (Trading day)	15/11/2013
Trading days from most recent price date	1
Trading days in period	1,265
Standard deviation of LN( $\Delta P$ )	6%
Annualised Volatility	99.89%
Annualised Volatility (rounded)	100.00%

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## Annexure 4

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Example Black-Scholes valuation

**Annexure 4: Black-Scholes valuation for Class E Performance Rights**

Black-Scholes, Accounting for Dividends

Assumptions	
Common Price (S)	\$0.440
Exercise Price (X)	\$0.000
Months to Expiration (t*12)	60.00
Risk Free Rate (Rf)	2.33%
Std. Dev. of Common (SD)	102.0%
Adjusted Stock Price (S')	\$0.440

Black-Scholes Model

where:

$$r = \ln(1+Rf)$$

$$d1 = (\ln(S/X) + (r+.5(SD^2))t)/(SD*(t^.5))$$

$$d2 = d1 - (SD*(t^.5))$$

$$C = SN(d1) - (X*(e^{-rt}))*N(d2)$$

Inputs	Calculation	ABS(d)	Y(d)	P(d)	N(ABS(d))
r =	0.02306				
d1 =	11.94	11.94	0.27	0.09	1.00
d2 =	9.66	9.66	0.31	0.10	1.00
N(d1) =	1.000				
N(d2) =	1.000				

Call Option Value	\$0.4400
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**Annexure 4: Black-Scholes valuation for Class F Performance Rights**

Black-Scholes, Accounting for Dividends

Assumptions	
Common Price (S)	\$0.440
Exercise Price (X)	\$0.000
Months to Expiration (t*12)	60.00
Risk Free Rate (Rf)	2.33%
Std. Dev. of Common (SD)	102.0%
Adjusted Stock Price (S')	\$0.440

Black-Scholes Model

where:

$$r = \ln(1+Rf)$$

$$d1 = (\ln(S/X) + (r+.5(SD^2))t)/(SD*(t^.5))$$

$$d2 = d1 - (SD*(t^.5))$$

$$C = SN(d1) - (X*(e^{-rt}))*N(d2)$$

Inputs	Calculation	ABS(d)	Y(d)	P(d)	N(ABS(d))
r =	0.02306				
d1 =	11.94	11.94	0.27	0.09	1.00
d2 =	9.66	9.66	0.31	0.10	1.00
N(d1) =	1.000				
N(d2) =	1.000				

Call Option Value	\$0.4400
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# BELLEVUE GOLD LIMITED

ACN: 110 439 686

## REGISTERED OFFICE:

SUITE 3  
24 OUTRAM STREET  
WEST PERTH WA 6005

## SHARE REGISTRY:

Security Transfer Australia Pty Ltd

### All Correspondence to:

PO BOX 52  
Collins Street West VIC 8007  
Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000

T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

«Company\_code» «Sequence\_number»

«Holder\_name»  
«Address\_line\_1»  
«Address\_line\_2»  
«Address\_line\_3»  
«Address\_line\_4»  
«Address\_line\_5»

Code:

BGL

Holder Number:

«HOLDER\_NUM

## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE  
ONLINE**

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 9:00am WST on Monday 7 January 2019 at Level 3, 24 Outram Street, West Perth, Western Australia and at any adjournment of that meeting.

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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

Important: If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair to exercise the proxy in respect of Resolutions 2(a), (b) and (c), even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

#### RESOLUTION

1. Ratification of prior issue of Placement Shares
- 2(a) Approval to Issue of Long Term Incentives to Ray Shorrocks
- 2(b) Approval to Issue of Long Term Incentives to Steve Parsons
- 2(c) Approval to Issue of Long Term Incentives to Michael Naylor

For Against Abstain\*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* 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.

### SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 9:00am WST on Saturday 5 January 2019.

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My/Our contact details in case of enquiries are:

Name:

Number:

(  )

### 1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

### 2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

### 3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

### 4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) 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 contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities 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 of your votes; and
- b) Return both forms in the same envelope.

### 5. 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 must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

### 6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

#### Security Transfer Australia Pty Ltd

**Online** [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

**Postal Address** PO BOX 52  
Collins Street West VIC 8007

**Street Address** Suite 913, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000

**Telephone** 1300 992 916

**Facsimile** +61 8 9315 2233

**Email** [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

#### PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.



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