

ASX ANNOUNCEMENT: 4 FEBRUARY 2019

CAPITAL RAISING

Great Southern Mining Limited (“Great Southern” or “the Company”) advises it intends to undertake a capital raising by way of a Prospectus (**Capital Raising**) to fund major exploration programs at its highly prospective tenures near Laverton and in North Queensland.

Its projects are located in the world-renowned gold districts of Laverton, Western Australia (over 25 million ounces discovered) and the Mt Carlton region of North Queensland (over 20 million ounces discovered).

Great Southern Executive Chairman, John Terpu, said: “With the recent discovery of a new gold deposit and mineralised system at the Mon Ami Gold Project¹ (Mon Ami) the Company has the potential to add ounces to the deposit through a thoroughly planned and comprehensive extensional and infill drilling program.”

“We have also announced promising exploration results on the North Queensland assets located 5kms north and 20kms south of the Mt Carlton gold mine.² The area remains underexplored for gold with recent site visits and mapping programs in January 2019 identifying several targets with a drilling program being planned.”

In line with the Company’s aim to become one of the most active gold exploration companies, it also recently applied for an additional 400km² of highly prospective ground near Laverton and another 500km² in North Queensland.³ Sampling and on ground exploration activities are planned with the view to identify targets for follow up drill programs.

Great Southern intends to raise new capital of up to \$5,000,000 via a Prospectus in order to fund its exploration programs across all of its Projects. The intended Capital Raising is subject to shareholder approval, which will be sought at a General Meeting of Shareholders to be held on 7 March 2019. It is intended that the Prospectus will be issued in mid-March 2019.

The issue price per share, and the corresponding number of shares to be issued, under the Capital Raising are still to be determined. Further details regarding the Capital Raising are set out in the attached Notice of Meeting of Shareholders.

For and on behalf of the Board

Mark Petricevic

Company Secretary

¹ Refer to the Maiden Mineral Resource estimate announced 7 November 2018.

² Refer to ASX announcements of 26 October 2018 and 31 January 2019.

³ Several tenements subject to grant. Refer to ASX announcement 31 January 2019.

GREAT SOUTHERN MINING LIMITED
ACN 148 168 825
NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Great Southern Mining Limited (the 'Company') will be held at:

TIME: 9.00 am (WST)
DATE: 7 March 2019
PLACE: Suite 4
213 Balcatta Road
Balcatta, Western Australia 6021

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

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.

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 9.00am (WST) on 5 March 2019.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL OF PROPOSED SHARE ISSUE

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to that number of fully paid ordinary shares in the Company which, when multiplied by the issue price, will raise up to \$5,000,000 on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion – ASX Listing Rules

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associates of that persons.

However, the Company need not disregard a vote if:

- (c) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – APPROVAL OF ISSUE OF SHARES TO VALLEYROSE PTY LTD

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

“That, for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,000,000 Shares to Valleyrose Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion – ASX Listing Rules

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) a person who is to receive securities in relation to the Company; or
- (b) an Associate of those persons, including Mr John Terpu as a director of Valleyrose Pty Ltd.

However, the Company need not disregard a vote if:

- (c) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. GENERAL BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution of the Company and the Corporations Act.

Please refer to the Explanatory Statement attached to the Notice of Meeting for more information on the Resolutions.

Dated 4 February 2019

By order of the Board

A handwritten signature in black ink, appearing to read 'MPet', with a small horizontal line at the end.

**Mark Petricevic
Company Secretary**

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

Voting in person (or by attorney)

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

To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company by the same time as outlined for proxy forms below.

Voting at the meeting

Ordinary resolutions required the support of more than 50% of the votes cast. Special resolutions require the support of at least 75% of the votes cast. All the resolutions of this Meeting are ordinary resolutions.

Every resolution arising at a General Meeting will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Company's Constitution.

On a show of hands, every Shareholder who is present in person or by proxy, representative or attorney, will have one vote. Upon a poll, every person who is present in person or by proxy, representative or attorney will have one vote for each Share held by that person.

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9240 4111.

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. Shareholders should read the Explanatory Statement in full. The Explanatory Statement forms part of the accompanying Notice of Meeting and should be read with the Notice of Meeting.

The information contained in the Explanatory Statement has been prepared by the Company and is the responsibility of the Company. Other than the information set out in this Explanatory Statement, the Directors believe that there is no other information that could reasonable be required by Shareholders to consider Resolutions 1 to 2 (inclusive).

1. RESOLUTION 1: APPROVAL OF PROPOSED SHARE ISSUE

1.1 Background

As announced on 4th February 2019, the Company is proposing to undertake a significant capital raising by way of a transaction specific prospectus (the **Prospectus**) in accordance with section 713 of the *Corporations Act 2001* (Cth) (**Capital Raising**).

Pursuant to the Capital Raising, the Company will seek to raise up to \$5,000,000 at an issue price no less than 80% of the volume weighted average price (**VWAP**) calculated over the last 5 days on which sales in the Shares were recorded before the date the Prospectus is signed.

1.2 Listing Rules 7.1 and 7.3

Listing Rule 7.1 provides, in summary, that a listed company may not issue Equity Securities in any 12-month period which exceed 15% of the number of issued securities of the company held at the beginning of the 12-month period (**15% Capacity**), except with the prior approval of shareholders of the company in a general meeting or unless an exception in Listing Rule 7.2 applies.

Approval by the Shareholders of the Company of the issue of the Placement Shares is now sought pursuant to ASX Listing Rule 7.1, so that the issue of those Placement Shares does not count towards the Company's 15% Capacity.

For the purposes of Listing Rule 7.3, the Company advises as follows:

- (i) the maximum of Placement Shares issued will be up to the number of Shares required to raise up to \$5,000,000 at the issue price specified in paragraph (ii) below;
 - (ii) the Placement Shares will be issued at a price not less than 80% of the VWAP for Shares calculated over the last 5 days on which sales in the Shares were recorded before the date the Prospectus is signed, in accordance with Listing Rule 7.3.3;
 - (iii) subject to the successful completion of the Capital Raising, the Placement Shares will be issued within three months after the date of the Meeting unless it is subject to a waiver by the ASX;
 - (iv) the Placement Shares will be issued to various institutional, sophisticated and retail investors to be determined by the Directors;
 - (v) the Placement Shares will rank equally with all other Shares on issue;
 - (vi) funds raised by the issue will be used to undertake additional drilling and exploration activities on the Company's Mon Ami Project in Laverton, Mt Weld tenements acquired in September 2018, East Laverton tenements and the North Queensland
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assets, corporate and administration working capital requirements; and

- (vii) a voting exclusion statement has been included for the purposes of Resolution 1.

The below table has been prepared to provide a worked example of estimated expenditure proposed should the maximum amount be raised under the Prospectus, being \$5,000,000.

Use of Funds	Project	Estimated Amount (\$'m)
Exploration expenditure	Mon Ami Gold Project*	2.1
Exploration expenditure	North Queensland	1.5
Exploration expenditure	Mt Weld Tenements	0.3
Exploration expenditure	East Laverton Tenements	0.3
Working Capital and Administration		0.8
Total		5.0

* Included in this amount is \$0.15m owing to Valleybrook Investments Pty Ltd as part of the consideration payable for the Company's acquisition of the Mt Lucky Project (now Mon Ami) as approved by shareholders in March 2018.

The Company notes that the above workings are examples only and market conditions and other variable factors outside the Company's control could effect the allocation of funds noted above.

1.3 Voting Dilution

Any issue of shares under the Capital Raising will dilute the interests of Shareholders who do not receive any Placement Shares under the Capital Raising.

The exact number of Placement Shares that may be issued under Resolution 1 is unable to be determined at this time. The below table has been prepared to provide a worked example of the possible dilution effect to current Shareholders based on the maximum number of Shares that may be issued under Resolution 1 on an assumed issue price of \$0.031 (being the 5 trading day VWAP prior to 30 January 2019), and \$0.025 and \$0.029 (representing a discount of 20% and 10%, respectively, to the 5 trading day VWAP prior to 30 January 2019).

Issue price per Placement Share	Current Shares on issue	Number of Placement Shares required to raise \$5,000,000	Total number of Shares following the issue of Placement Shares under Resolution 1	Dilution effect to existing Shareholders
\$0.031	280,245,672	161,290,323	441,535,994	58%
\$0.025	280,245,672	201,612,903	481,858,575	72%
\$0.028	280,245,672	179,211,470	459,457,141	64%

The table above uses the following assumptions:

- (i) the total number of Shares on issue are 280,245,672;
- (ii) the Company issues the maximum possible number of Placement Shares under the Capital Raising;

- (iii) figures have been rounded up to the nearest whole number; and
- (iv) the calculations do not show the dilution effect for any one particular Shareholder.

Assuming no other Shares are issued and the maximum number of Shares as set out in the worked example above are issued, the number of Shares on issue would increase from 280,245,672 (being the number of Shares on issue as at the date of this Notice) to 481,858,575 and the shareholding of existing Shareholders would be diluted by 72%.

The Company notes that the above workings are examples only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

1.4 Directors' Recommendation

The members of the Board recommend that Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2: APPROVAL OF ISSUE OF SHARES VALLEYROSE PTY LTD.

2.1 Background for Resolution 2

In order to provide the Company with additional working capital to fund its activities in the short-term prior to the capital raising proposed in Resolution 1, the Company entered into a short-term loan agreement to receive \$300,000 in December 2018 with Valleyrose Pty Ltd (**the Lender**), a Company related to Mr Terpu (**Loan**).

The Loan is repayable in cash or, subject to receipt of shareholder approval, Shares. At the date of this Notice, \$300,000 is currently outstanding.

Resolution 2 seeks approval for the issue of Shares to the Lender (or its nominee) in satisfaction of the Loan.

The Shares the subject of Resolution 2 will be issued at a deemed price of \$0.03 each, being the price calculated by reference to the 15 day VWAP for the Company's shares up to 31 December 2018. If shareholders do not approve the proposed issues of Shares, the outstanding amount owed to the Lender will be paid in cash.

2.2 Listing Rule 10.11 and 10.13

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

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Directors (or their nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

2.3 Specific information required by Listing Rule 10.13

The following information is provided pursuant to ASX Listing Rule 10.13 in relation to the proposed issue of Shares the subject of Resolution 2:

- (i) the Shares will be issued to the Lender (or its nominee);
 - (ii) the maximum number of Shares to be issued by the Company pursuant to Resolution 2 is 10,000,000 Shares to the Lender;
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- (iii) the Shares will be issued at a deemed price of \$0.03 each being the price calculated by reference to the 15 day VWAP for the Company's shares up to 31 December 2018. If shareholders do not approve the issue of Shares, the outstanding Loan will be paid in cash;
- (iv) if the resolution is passed, the Shares are expected to be issued by no later than one month following the date of the meeting or subject to waiver by the ASX;
- (v) as from their date of issue, the Shares will rank equally with all other fully paid ordinary shares then on issue;
- (vi) no funds will be raised from the issue of Shares pursuant to Resolution 2; and
- (vii) voting exclusion statements have been included above for the purposes of this resolution.

2.4 Chapter 2E of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions to the section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party.

For the purposes of Chapter 2E of the Corporations Act, both the Vendor and the Lender are considered to be related parties of the Company as they are associated with Mr Terpu (section 228 of the Corporations Act).

A "financial benefit" is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

Any shares issued to related parties such as the Vendor or the Lender may constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act. The Shares, if issued pursuant to Resolution 2, will be issued at market value in satisfaction of an existing liability owed by the Company to the Vendor and the Lender. Accordingly, the Board considers that to the extent the proposed issue of shares comprises a financial benefit, the "arms' length" exception in section 210 of the Corporations Act to the requirement to seek Shareholder approval under Chapter 2E of the Corporations Act is available to the Company. Shareholder approval is therefore not sought for the purposes of Chapter 2E of the Corporations Act.

2.5 Directors' recommendation

The eligible members of the Board recommend that Shareholders vote in favour of Resolution 2.

GLOSSARY

\$ means Australian dollars.

Accounting Standards has the meaning given to that term in the Corporations Act.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given in the Listing Rules.

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

ASX Listing Rules or **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 or **Chairman** means the chair of the Meeting.

Company or **GSN** means Great Southern Mining Limited (ACN 148 168 825).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company, or the directors seeking appointment to the Company pursuant to this Notice (as applicable).

Equity Securities has the same meaning given in the Listing Rules.

Eligible Entity has the same meaning given in the Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Key Management Personnel has the meaning given to that term in the Accounting Standards.

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.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

VWAP means volume weighted average price.

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

GREAT SOUTHERN MINING LIMITED
ACN 148 168 825

PROXY FORM

The Company Secretary
Great Southern Mining Limited

By post or Delivery: Suite 4, 213 Balcatta Road. Balcatta Western Australia
By facsimile: 08 9240 4054

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We ¹ _____ of _____

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

The Chairman of the Meeting (mark box)

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting to be held at 9.00am (WST) on 7 March 2019 at the offices of Great Southern Mining Limited, Suite 4, 213 Balcatta Road. Balcatta Western Australia, and at any adjournment of that Meeting, on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit, except as provided below).

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

Important – If the Chairman of the Meeting is your proxy or is appointed your proxy by default

The Chairman of the Meeting intends to vote all available proxies in favour of all Resolutions. If the Chairman of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolutions 1 to 2, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolutions 1 to 2 even if Resolutions 1 to 2 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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

Step 2 – Instructions as to Voting on Resolutions

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

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

		For	Against	Abstain
Resolution 1	Approval for Proposed Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of issue of Shares to Valleyrose Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Authorised signature/s

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

Individual or Shareholder 1 <input type="text"/> Sole Director and Sole Company Secretary	Shareholder 2 <input type="text"/> Director	Shareholder 3 <input type="text"/> Director/Company Secretary
_____	_____	_____
Contact Name	Contact Daytime Telephone	Date

¹Insert name and address of Shareholder

Proxy Notes:

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

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

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

- Joint Holding: where the holding is in more than one name all of the holders should sign.
- Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
- Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

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

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

Business address: Suite 4, 213 Balcatta Road. Balcatta Western Australia

Postal address: Suite 4, 213 Balcatta Road. Balcatta Western Australia

Facsimile: 08 9240 4054

Email: mark@gsml.com.au
