
HARVEST MINERALS LIMITED**ACN 143 303 388****NOTICE OF GENERAL MEETING**

TIME: 3:00 pm (WST)
DATE: Monday, 17 August 2015
PLACE: Level 1, 330 Churchill Avenue
Subiaco, WA 6008

This Notice of General Meeting is an important document and requires your immediate attention. Please read it carefully. If you are in doubt as to what you should do, please consult your professional adviser.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9200 1847

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IMPORTANT INFORMATION

VENUE

The General Meeting of the Shareholders of Harvest Minerals Limited which this Notice of General Meeting relates to will be held at 3:00 pm (WST) on Monday, 17 August 2015 at:

Level 1
330 Churchill Avenue
Subiaco, WA 6008

VOTING IN PERSON

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

VOTING BY PROXY

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

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

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

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

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

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

BUSINESS OF THE MEETING

Notice is given that the General Meeting of Shareholders of Harvest Minerals Limited will be held at Level 1, 330 Churchill Avenue, Subiaco, Western Australia 6008 at 3:00 pm (WST) on Monday, 17 August 2015.

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company on Saturday, 15 August 2015 at 3:00 pm (WST).

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

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – ADOPTION OF A NEW CONSTITUTION

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

"That, pursuant to Section 136(2) of the Corporations Act and for all other purposes, the Company adopts a new constitution in the form as signed by the Chairman of the Meeting for identification purposes, in lieu of the existing constitution of the Company."

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE – SHARES

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if 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, 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. RESOLUTION 3 – APPROVAL TO ISSUE SHARES

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

"That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 60,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if 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, 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.

DATED: 13 July 2015

JONATHAN HART

COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at Level 1, 330 Churchill Avenue, Subiaco, Western Australia 6008 at 3:00 pm (WST) on Monday, 17 August 2015.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution in the Notice of Meeting.

1. RESOLUTION 1 - ADOPT NEW CONSTITUTION

A company may modify or repeal its constitution or a provision of its constitution by a special resolution of its shareholders.

The Constitution, being the rules by which the Company operates, should continue to evolve in line with the regulatory environment in which the Company operates.

Resolution 1 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules. Additionally, as announced on 27 May 2015, the Company is currently pursuing a listing on the London Stock Exchange's Alternative Investment Market (**AIM**) and if is successful will become dual listed on ASX and AIM. Therefore the Proposed Constitution will contain the necessary provisions to ensure that it is compliant with the Company being dual listed.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in April 2010.

The Proposed Constitution is broadly consistent with the provisions of the existing constitution. Many of the proposed changes are administrative or minor in nature and the Directors believe they are not material nor will they have any significant impact on shareholders.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website <http://harvestminerals.net/> and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9200 6264). Shareholders are invited to contact the Company if they have any queries or concerns.

1.1 Summary of Material Proposed Changes

(a) **Recognised Exchange**

The Company's current Constitution contains provisions which are specific to the Company being listed on ASX and the applicable rules of that exchange. Therefore, in contemplation of the proposed listing or dual listing of the Company on AIM and to maintain flexibility for the Company, the new Constitution to be adopted contains a number of provisions which refer to a "recognised exchange" rather than limiting the exchange to ASX thereby allowing the exchange on which the Company is listed (or dual listed) to be ASX and/or AIM (or any other exchange the Company may consider in the future).

(b) **Fee for registration of off market transfers (clause 8.4(c))**

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

(c) **Dividends**

There have been recent changes to the dividend payment provisions of the Corporations Act which came into effect on 28 June 2010. A new section 254T has been included in the Corporations Act which introduces a three-tiered test that a company will need to satisfy before paying a dividend. This replaces the previous test that the company may only pay dividends from profits.

The new section 254T provides that a company must not pay a dividend unless:

- (i) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (ii) the payment of the dividend is not fair but reasonable to the company's shareholders as a whole; and
- (iii) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution of the Company currently reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution does not contain the profits test and enables the Company to pay dividends in accordance with the new position under the Corporations Act. The Directors consider it appropriate for the constitution of the Company to reflect the recently amended Corporations Act to allow more flexibility in the payment of dividends.

1.2 **Partial (proportional) takeover provisions (new clause 35)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;

- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 – RATIFICATION OF SHARES

Due to the due to strong investor demand for shortfall of the fully underwritten rights issue undertaken by the Company in June 2015 (**Rights Issue**), the Company agreed to undertake an additional placement of 15,000,000 Shares at the Rights Issue's issue price of \$0.01 to raise an additional \$150,000 (**Placement**). The Placement was managed by the underwriter of the Rights Issue, CPS Capital Group Pty Ltd (**CPS**) and the Shares were issued on 13 July 2015.

CPS will receive a placing fee of 6%, amounting to approximately \$9,000, for its services in relation to the Placement.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX 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.

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

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.1 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 15,000,000 Shares were issued;
- (b) the issue price was \$0.01 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to clients of CPS. None of these subscribers are related parties of the Company; and
- (e) the funds raised from this issue will be used for working capital purposes.

3. RESOLUTION 3 – APPROVAL TO ISSUE SHARES

3.1 General

Resolution 3 seeks Shareholder approval for the issue of 60,000,000 Shares to KMINE Holding Ltd (and/or its nominee/s) for part consideration for the 100% conditional acquisition of Sergi Potash Project in Brazil.

ASX 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.

The effect of Resolution 3 will be to allow the Company to issue the 60,000,000 Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

3.2 Technical information required by ASX Listing Rule 7.1

Under and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares under Resolution 3:

- (a) the maximum number of Shares to be issued is 60,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on or around the same day as the Meeting;
- (c) the Shares will be issued for nil cash consideration in satisfaction for part consideration for the 100% acquisition of the Sergi Potash Project in Brazil;
- (d) the Shares will be issued to KMINE Holding Ltd (and/or its nominee/s), none of whom are related parties of the Company and the Company confirms that no Shares will be issued to any party where it would increase the party's Voting Power in the Company above 20%;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Shares as the Shares are being issued in consideration for part consideration of 100% conditional acquisition of the Sergi Potash Project in Brazil.

4. ENQUIRIES

Shareholders should contact the Company Secretary on +61 8 9200 1847 if they have any queries in respect of the matters set out in this Notice of Meeting.

GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Securities and Investments Commission.

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

Board means the board of directors of the Company.

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

Chair means the chair of the Meeting.

Company or **Harvest** means Harvest Minerals Limited (ACN 143 303 388).

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

Directors mean the current directors of the Company.

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

Notice or **Notice of Meeting** or **Notice of General Meeting** means this notice of General Meeting including the Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice.

Sergi Potash Project means a potash exploration project, located in Brazil, the conditional rights to which were acquired by the Company under the Sergi Potash Project Agreement.

Sergi Potash Project Agreement means the agreement entered between the Company and KMINE Holding Ltd in relation to the acquisition of the Sergi Potash Project as summarised in the ASX announcement on 20 April 2015.

Section means a section of the Explanatory Statement unless indicated otherwise.

Share means a share in the Company.

Shareholder means a holder of a Share in the Company.

Voting Power means the voting power determined in accordance with Section 610 of the Corporations Act.

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

APPOINTMENT OF PROXY

**HARVEST MINERALS LIMITED
ACN 143 303 388**

GENERAL MEETING

I/We

of

being a member of Harvest Minerals Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at 3:00 pm (WST), on Monday, 17 August 2015 at Level 1 330 Churchill Avenue Subiaco WA 6008 and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

Voting on Business of the General Meeting

Voting on business of the General Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to Issue Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Signature of Shareholder (s): _____

Date:

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) deliver the proxy form by hand to the Company's registered office at Level 1, 330 Churchill Avenue, Subiaco, Western Australia;
 - (b) mail the proxy form to the Company's registered office at PO Box 540 Subiaco, Western Australia, 6904; or
 - (c) send the proxy form by facsimile to the Company on facsimile number +61 8 9200 4469, so that it is received not later than 3:00 pm (WST) on Saturday, 15 August 2015.

Proxy forms received later than this time will be invalid.