
THE CARAJAS COPPER COMPANY LIMITED

ACN 076 390 451

NOTICE OF GENERAL MEETING

TIME: 10.00am (WST)
DATE: Wednesday, 25 January 2017
PLACE: 22 Lindsay Street
Perth, WA 6000

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 3467

IMPORTANT INFORMATION

VENUE

The General Meeting of the Shareholders of The Carajas Copper Company Limited which this Notice of General Meeting relates to will be held at 10.00am (WST) on Wednesday, 25 January 2017 at:

22 Lindsay Street
Perth, WA 6000

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 GENERAL MEETING

Notice is given that a General Meeting of Shareholders of The Carajas Copper Company Limited will be held at 22 Lindsay Street, Perth, Western Australia 6000 at 10.00am (WST) on Wednesday, 25 January 2017.

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 Monday, 23 January 2017 at 5.00pm (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 – 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 purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 60,666,667 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.

2. RESOLUTION 2 – 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 105,999,999 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.

3. RESOLUTION 3 – CHANGE OF COMPANY NAME

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

“That, for the purpose of Section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to ‘Valor Resources Limited’.”

4. **RESOLUTION 4 – APPROVAL TO MAKE SELECTIVE REDUCTION OF CAPITAL**

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

“That, subject to the passing of Resolution 1 at the Special General Meeting, in accordance with Section 256C(2) of the Corporations Act and for all other purposes, approval is given for the Company to make a selective reduction of capital and cancel a total of 90,000,000 Performance Shares held by the Performance Shareholders on the terms and conditions and for the purpose set out in the Explanatory Statement accompanying this Notice.”

DATED: 21 December 2016

By order of the Board

KELLY MOORE

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 22 Lindsay Street, Perth, Western Australia 6000 at 10.00am (WST) on Wednesday, 25 January 2017.

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 – RATIFICATION OF PRIOR ISSUE – SHARES

1.1 General

The Company signed a mandate with CPS Capital Group Pty Ltd (ACN 088 055 636) (**CPS Capital**) to place up to 166,666,666 ordinary fully paid shares at \$0.003 per share to sophisticated investors to raise approximately \$500,000 (**Mandate**)(**Placement**).

Pursuant to the terms of the Mandate, the Placement is to be conducted via two tranches:

- (a) 60,666,667 Shares to raise approximately \$182,000 (**Tranche 1 Shares**); and
- (b) 105,999,999 Shares to raise approximately \$318,000 (**Tranche 2 Shares**).

All Shares to be issued under the Placement are to sophisticated investors, none of whom are related parties or associates of the Company.

On 14 December 2016, the Company issued the Tranche 1 Shares pursuant to its capacity under ASX Listing Rule 7.1.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Tranche 1 Shares (**Ratification**).

The Company is seeking Shareholder approval to issue the Tranche 2 Shares under Resolution 2.

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 a 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 the issue of the Tranche 1 Shares, 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.

1.2 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) 60,666,667 Shares were issued;
- (b) the issue price of the Shares was \$0.003 each;
- (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 sophisticated investors none of who are related parties or associates of the Company; and
- (e) the Company used the funds raised from the issue for working capital.

2. RESOLUTION 2 – APPROVAL TO ISSUE SHARES

2.1 General

As noted above, Resolution 2 seeks Shareholder approval for the issue of the Tranche 2 Shares.

A summary of ASX Listing Rule 7.1 is set out in section 1.1 above.

The effect of Resolution 2 will be to allow the Company to issue the Tranche 2 Shares during the period of 3 months after the Meeting (or longer period, if allowed by the ASX), without using the Company's 15% placement capacity.

2.2 Technical information required by ASX Listing Rule 7.1

In accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the maximum number of Shares to be issued is 105,999,999;

- (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 intended that issue of the Shares will occur on the same date;
- (c) the issue price of the Shares will be \$0.003 each;
- (d) the Shares to be 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;
- (e) the Shares will be issued to sophisticated investors who will not be related parties or associates of the Company; and
- (f) the Company will use the funds raised from the issue for working capital.

3. RESOLUTION 3 – CHANGE OF COMPANY NAME

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 3 seeks the approval of Shareholders for the Company to change its name to "Valor Resources Limited". The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

If Resolution 3 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 3 is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the Meeting.

4. RESOLUTION 4 – APPROVAL FOR SELECTIVE REDUCTION OF CAPITAL

4.1 Background

Section 4 of this Explanatory Statement relates to Resolution 4 of the Notice of General Meeting and to Resolution 1 of the Special General Meeting. Resolution 4 will only come into effect if Resolution 1 at the Special General Meeting is passed.

As announced on 19 December 2016, the Company has reached an agreement with the holders of the 90,000,000 Performance Shares on issue (**Performance Shareholders**) to cancel the Performance Shares that were issued to the Performance Shareholders (**Deed of Cancellation**). Refer to the Company's ASX announcement dated 19 December 2016 and the Company's notice of general meeting dated 2 April 2015 for further details.

The milestone events attaching to the Performance Shares have not been achieved and none of the Performance Shares have been converted into Shares.

The purpose of Resolution 4 is to seek the requisite approval of Shareholders required under the Corporations Act for the selective reduction and cancellation of the Performance Shares held by the Performance Shareholders (**Selective Capital Reduction**).

The effect of Resolution 4 will be a selective capital reduction and cancellation of 90,000,000 Performance Shares held by the Performance Shareholders. See Section 4.3 below for further details.

Resolution 4 is a special resolution, and therefore requires not less than 75% of all votes cast on the Resolution to be in favour of the Resolution for it to be passed.

4.2 Corporations Act

Pursuant to Section 256C of the Corporations Act, a company may make a selective capital reduction if it is approved by a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person who is to receive consideration as part of the reduction or whose liability to pay amounts unpaid on shares is to be reduced.

The Corporations Act provides that the rules relating to a reduction of share capital are designed to protect the interests of shareholders and creditors by:

- (a) addressing the risk of the transaction leading to the Company's insolvency;
- (b) seeking to ensure fairness between the shareholders of the Company; and
- (c) requiring the Company to disclose all material information.

In particular, Section 256B of the Corporations Act requires that a Company may only reduce its capital if:

- (a) it is fair and reasonable to the shareholders as a whole;
- (b) it does not materially prejudice the Company's ability to pay its creditors; and
- (c) it is approved by shareholders in accordance with Section 256C of the Corporations Act.

Section 256C(4) of the Corporations Act requires that the Company must include with the Notice a statement setting out all information known to the Company that is material to the decision on how to vote on the resolution. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company had previously disclosed the information to shareholders.

The Directors believe that the Selective Capital Reduction as proposed is fair and reasonable to Shareholders for the following reasons:

- (a) the Selective Capital Reduction will only result in the cancellation of the Performance Shares issued to the Performance Shareholders;
- (b) the Selective Capital Reduction will not materially prejudice the Company's ability to pay its creditors and will have minimal financial effect on the Company; and
- (c) the financial effect on cash reserves of the Selective Capital Reduction on the Company will be nil as no consideration is being provided for the Selective Capital Reduction.

The Directors do not consider that there are any material disadvantages to the Company undertaking the Selective Capital Reduction.

Pursuant to Section 256C(2) of the Corporations Act, a selective reduction of capital must be approved by either:

- (a) a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person who is to receive consideration as part of the reduction or whose liability to pay amounts unpaid on shares is to be reduced, or by their associates; or
- (b) a resolution agreed to, at a general meeting by all Shareholders.

The Special General Meeting being held after the General Meeting, which will see the Performance Shareholders vote on the Selective Capital Reduction, is being held for the purpose of meeting the approval requirements (subject to Resolution 4 being passed at the General Meeting).

4.3 Summary of and Effect of Proposed Selective Capital Reduction

The overall effect of the Selective Capital Reduction is to reduce the number of Performance Shares currently on issue from 90,000,000 to nil.

It is worth Shareholders noting that should the milestone events attaching to the Performance Shares have been met, the Performance Shares would have collectively convert into that number of Shares that equates to a value of \$540,000 based on the higher of \$0.006 or the 30 day volume weighted average price on that date being the last ASX trading day immediately prior to satisfaction of the milestones.

However, as the milestone events attaching to the Performance Shares have not been achieved and none of the Performance Shares have been converted into Shares, on completion of the Selective Capital Reduction of the Performance Shares, there will be no change to the control of the Company and the percentage of the Company owned by each Shareholder will remain the same.

4.4 Interests of Directors

The Directors do not have any material interest in the outcome of Resolution 4 other than as a result of their interest arising solely in the capacity as Shareholders. The Directors do not have any interest in any Performance Shares.

The Directors believe that the Selective Capital Reduction will not materially prejudice the Company's ability to pay its creditors because following completion of the Selective Capital Reduction the Company will have sufficient cash reserves to meet its financial commitments.

Accordingly, the Directors recommend that Shareholders vote in favour of Resolution 4 as they consider the proposed reduction of capital to be fair and reasonable and in the best interests of Shareholders.

4.5 Other Material Information

There is no information material to the making of a decision by a Shareholder whether or not to approve Resolution 4 being information that is known to any of the Directors and which has not been previously disclosed to Shareholders, other than as disclosed in this Explanatory Statement.

Once Resolution 4 is passed by Shareholders and Resolution 1 of the Special General Meeting is passed by the Performance Shareholders, the Company will not make the reduction of capital until at least 14 days after lodgement of Resolution 4 with the ASIC.

ENQUIRIES

Shareholders should contact the Company Secretary on +61 8 9200 3467 if they have any queries in respect of the matters set out in this Notice of Meeting.

GLOSSARY

\$ means Australian dollars.

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 means The Carajas Copper Company Limited (ACN 076 390 451).

Constitution means the Company's constitution.

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

Directors mean the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Performance Shareholders means the registered holders of the 90,000,000 Performance Shares on issue in the Company.

Performance Shares means the performance shares issued to the Performance Shareholders as compensation for the minimal cash remuneration provided for their former roles as Directors, with the terms and conditions set out in Schedule 1 of the Company's notice of general meeting dated 2 April 2015.

Proxy Form means the proxy form accompanying the Notice.

Selective Capital Reduction has the meaning as set out in Section 4 of the Notice of General Meeting.

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

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of a Share in the Company.

Special General Meeting means this notice of Special General Meeting including the Special General Meeting Explanatory Statement and the Explanatory Statement.

Special Meeting Explanatory Statement means the explanatory statement of the Special General Meeting accompanying the Notice.

Special Meeting Notice means the notice of Special General Meeting including the Special Meeting Explanatory Statement.

Special Meeting Proxy Form means the proxy form for the Special General Meeting accompanying the Notice of Special Meeting.

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

APPOINTMENT OF PROXY

THE CARAJAS COPPER COMPANY LIMITED
ACN 076 390 451

GENERAL MEETING

I/We
of

being a member of The Carajas Copper Company 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 10.00am (WST), on Wednesday, 25 January 2017 at 22 Lindsay Street, Perth WA 6000 and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

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

| Voting on business of the General Meeting | | FOR | AGAINST | ABSTAIN |
|---|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Ratification of Prior Issue - Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Approval to Issue Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Change of Company Name | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Approval for Selective Reduction of Capital | <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 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 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 22 Lindsay Street, Perth, Western Australia;
 - (b) mail the proxy form to the Company's registered office at PO Box 8546 Perth BC, Western Australia, 6849; or
 - (c) send the proxy form by facsimile to the Company on facsimile number +61 8 9200 4469, so that it is received not less than 48 hours prior to commencement of the General Meeting.

Proxy forms received later than this time will be invalid.

THE CARAJAS COPPER COMPANY LIMITED

ACN 076 390 451

NOTICE OF SPECIAL GENERAL MEETING OF PERFORMANCE SHAREHOLDERS

IMPORTANT INFORMATION

Time and place of Meeting

A Special General Meeting of Performance Shareholders whose Performance Shares are proposed to be cancelled pursuant to Resolution 4 of the General Meeting will be held at 10:30 AM (WST) on 25 January 2017, or as soon as the General Meeting of Shareholders has concluded or been adjourned, whichever is earlier, at:

22 Lindsay Street, Perth, Western Australia 6000

Voting in person

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

Voting by proxy

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

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

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

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

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

BUSINESS OF THE SPECIAL GENERAL MEETING

Notice is given that a Special General Meeting of the Performance Shareholders of The Carajas Copper Company Limited will be held at 22 Lindsay Street, Perth, Western Australia 6000 at 10.30am (WST) on Wednesday, 25 January 2017 or as soon as the General Meeting of Shareholders has concluded or been adjourned, whichever is earlier.

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

The persons eligible to vote at the Special General Meeting are those who are registered Performance Shareholders of the Company on Monday, 23 January 2017 at 5.00pm (WST).

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

Terms and abbreviations used in this Notice of Special General Meeting and Explanatory Statement of Special General Meeting are defined in the Glossary of the Notice of General Meeting above.

AGENDA

1. RESOLUTION 1 – APPROVAL FOR CANCELLATION OF PERFORMANCE SHARES

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

“That, subject to and conditional on the passing of Resolution 1 at the General Meeting, in accordance with Section 256C(2) of the Corporations Act and for all other purposes, approval is given by the Performance Shareholders for the Company to cancel a total of 90,000,000 Performance Shares held by the Performance Shareholders on the terms and conditions and for the purpose set out in the Special Meeting Explanatory Statement accompanying this Special Meeting Notice. ”

DATED: 21 December 2016

By order of the Board

KELLY MOORE

COMPANY SECRETARY

EXPLANATORY STATEMENT

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

1. SPECIAL GENERAL MEETING RESOLUTION 1 – APPROVAL FOR CANCELLATION OF PERFORMANCE SHARES

1.1 Background

As outlined above, Section 256C(2) of the Corporations Act requires that in order for a selective reduction of capital to be completed, the selective reduction of capital must also be approved by a special resolution passed at a meeting of the shareholders whose shares are to be cancelled.

The Special General Meeting is being held for this purpose, and the only parties entitled to attend and vote at the Special General Meeting are the Performance Shareholders.

Details of the proposed transaction are outlined in Section 4 of the Notice of General Meeting annexed above, and the Company considers that all other information has been made available to the Performance Shareholders.

Resolution 1 to be considered at the Special General Meeting is a special resolution, and therefore requires not less than 75% of all votes cast on the Resolution to be in favour of the Resolution for it to be passed.

APPOINTMENT OF PROXY

THE CARAJAS COPPER COMPANY LIMITED
ACN 008 624 691

SPECIAL GENERAL MEETING

I/We

of:

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

Name:

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

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Special General Meeting to be held at 10:30AM on 25 January 2017 at 22 Lindsay Street, Perth Western Australia 6000, and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

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

| Voting on business of the Meeting | FOR | AGAINST | ABSTAIN |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 Approval for cancellation of Performance 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 be counted in computing the required majority on a poll.

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

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

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

Instructions for Completing '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 general 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 22 Lindsay Street, Perth, Western Australia;
 - (b) mail the proxy form to the Company's registered office at PO Box 8546 Perth BC, Western Australia, 6849; or
 - (c) send the proxy form by facsimile to the Company on facsimile number +61 8 9200 4469, so that it is received not less than 48 hours prior to commencement of the Special General Meeting.

Proxy forms received later than this time will be invalid.