

# MALACHITE RESOURCES NL

ABN 86 075 613 268

## NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given of the tenth Annual General Meeting of the Company -

**At:** PricewaterhouseCoopers,  
Level 10, 201 Sussex Street, Sydney NSW 2000, Australia

**On:** Thursday 23 November 2006 at 10.00 am

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### BUSINESS

**1. Financial Report – Year Ended 30 June 2006**

To receive and consider the Financial Report of the Company and its controlled entities and the reports of the directors and the auditor for the financial year ended 30 June 2006.

**2. Advisory/Non-binding Vote on Remuneration Report**

That the Remuneration Report (included in the Company's Financial Report for the year ended 30 June 2006) be adopted.

**3. Re-election of Mr. Roy M. Randall as a Director**

To re-elect, as a director of the Company, Mr. Roy Randall who, having been appointed since the last Annual General Meeting, retires in accordance with the Constitution of the Company, and being eligible, offers himself for re-election.

**4. Re-election of Mr. Denis M. O'Neill as a Director**

To re-elect, as a director of the Company, Mr. Denis M. O'Neill who retires in accordance with the Constitution of the Company, and being eligible, offers himself for re-election.

**5. Ratification of Previous Issue of Shares & Options**

To consider, and if thought fit, to pass the following resolution:

“That the shares and options issued to the parties as specified in the table incorporated in the Explanatory Memorandum annexed to and forming part of this Notice of Meeting be approved for the purposes of the Australian Stock Exchange Listing Rules”

### **Voting restrictions on Resolution 5**

The company will disregard any votes cast on Resolution 5 by:

- Any of the shareholders identified in Resolution 5; and
- an associate of any of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as 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.

## **6. Approve Proposed Issue of Shares & Options**

To consider, and if thought fit, to pass the following resolution:

“That the Directors of the Company be authorised for the purposes of the Australian Stock Exchange Listing Rules and for all purposes to issue up to 20,000,000 ordinary fully paid up shares at an issue price of not less than \$0.20 per share as the Board of Directors may so determine and up to 10,000,000 August 2008 Options (being options of the same class and terms as the existing August 2008 Options (MAROA) having an exercise price of 20 cents and being exercisable on or before 31 August 2008) for no additional consideration on the basis of one option being issued for each two shares issued.”

### **Voting restrictions on Resolution 6**

The company will disregard any votes cast on Resolution 6 by:

- Any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed; and
- an associate of any of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as 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.

## **7. Approve Directors' Participation in Proposed Issue of Shares & Options**

To consider, and if thought fit, to pass the following resolution:

“That, subject to the prior approval of Resolution 6, the Directors of the Company be authorised to participate in the issue of shares and options contemplated by Resolution 6 up to an aggregate of not more than 1,000,000 ordinary fully paid up shares and 500,000 attaching August 2008 Options.”

### **Voting restrictions on Resolution 7**

The company will disregard any votes cast on Resolution 7 by:

- Any Director of the Company; and

- any associate of any Director of the Company.

However, the Company need not disregard a vote if:

- it is cast by a person as 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.

## **8. Issue of Options to Dr. Garry Lowder (Chairman & Managing Director)**

To consider and, if thought fit, to pass the following resolution:

“That, for all purposes under the Corporations Act 2001 and the Listing Rules of Australian Stock Exchange Limited (including Listing Rules 10.11) and all other purposes, the Company be authorised to issue to Dr. Garry Lowder a total of one million two hundred and fifty thousand (1,250,000) options to purchase fully paid ordinary shares in the capital of the Company for the price, on the terms and for the purposes set out in the Explanatory Memorandum annexed to and forming part of this Notice of Meeting.”

### **Voting restrictions on Resolution 8**

The company will disregard any votes cast on Resolution 8 by:

- Dr. Garry Lowder and any associate of Dr. Garry Lowder.

However, the Company need not disregard a vote if:

- it is cast by a person as 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.

## **9. Issue of Options to Mr. Russell Meares (Executive Director)**

To consider and, if thought fit, to pass the following resolution:

“That, for all purposes under the Corporations Act 2001 and the Listing Rules of Australian Stock Exchange Limited (including Listing Rules 10.11) and all other purposes, the Company be authorised to issue to Mr. Russell Meares a total of one million (1,000,000) options to purchase fully paid ordinary shares in the capital of the Company for the price, on the terms and for the purposes set out in the Explanatory Memorandum annexed to and forming part of this Notice of Meeting.”

### **Voting Restrictions on Resolution 9**

The company will disregard any votes cast on Resolution 9 by:

- Mr. Russell Meares and any associate of Mr. Russell Meares.

However, the Company need not disregard a vote if:

- it is cast by a person as 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.

#### **10. Issue of Options to Mr. Denis O’Neill (Non-Executive Director)**

To consider and, if thought fit, to pass the following resolution:

“That, for all purposes under the Corporations Act 2001 and the Listing Rules of Australian Stock Exchange Limited (including Listing Rules 10.11) and all other purposes, the Company be authorised to issue to Mr. Denis O’Neill a total of two hundred and fifty thousand (250,000) options to purchase fully paid ordinary shares in the capital of the Company for the price, on the terms and for the purposes set out in the Explanatory Memorandum annexed to and forming part of this Notice of Meeting.”

#### **Voting Restrictions on Resolution 10**

The company will disregard any votes cast on Resolution 10 by:

- Mr. Denis O’Neill and any associate of Mr. Denis O’Neill.

However, the Company need not disregard a vote if:

- it is cast by a person as 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.

#### **11. Issue of Options to Mr. Warren Staude (Non-Executive Director)**

To consider and, if thought fit, to pass the following resolution:

“That, for all purposes under the Corporations Act 2001 and the Listing Rules of Australian Stock Exchange Limited (including Listing Rules 10.11) and all other purposes, the Company be authorised to issue to Mr. Warren Staude a total of two hundred and fifty thousand (250,000) options to purchase fully paid ordinary shares in the capital of the Company for the price, on the terms and for the purposes set out in the Explanatory Memorandum annexed to and forming part of this Notice of Meeting.”

#### **Voting Restrictions on Resolution 11**

The company will disregard any votes cast on Resolution 11 by:

- Mr. Warren Staude and any associate of Mr. Warren Staude.

However, the Company need not disregard a vote if:

- it is cast by a person as 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.

## **12. Issue of Options to Mr. Roy Randall (Non-Executive Director)**

To consider and, if thought fit, to pass the following resolution:

“That, for all purposes under the Corporations Act 2001 and the Listing Rules of Australian Stock Exchange Limited (including Listing Rules 10.11) and all other purposes, the Company be authorised to issue to Mr. Roy Randall a total of two hundred and fifty thousand (250,000) options to purchase fully paid ordinary shares in the capital of the Company for the price, on the terms and for the purposes set out in the Explanatory Memorandum annexed to and forming part of this Notice of Meeting.”

### **Voting Restrictions on Resolution 12**

The company will disregard any votes cast on Resolution 12 by:

- Mr. Roy Randall and any associate of Mr. Roy Randall.

However, the Company need not disregard a vote if:

- it is cast by a person as 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.

## **ENTITLEMENT TO VOTE**

The board has determined that for the purposes of the meeting, shares will be taken to be held by the persons who are the registered holders at 10.00 am on 21 November, 2006. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

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## **VOTING BY PROXY**

- A member entitled to attend and vote is entitled to appoint not more than 2 proxies.
- Where 2 proxies are appointed and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes.
- A proxy need not be a member.
- Proxy forms must be signed by a member or the member's attorney or, if the member is a corporation, must be under its common seal, or if it does not have one, by 2 directors or by a director and a company secretary, or if it is a proprietary company that has a sole director who is also the company secretary (or has no company secretary), by that director, or under hand of its attorney or duly authorised officer. If the proxy form is signed by a person who is not the registered holder of shares in the Company, then the relevant authority must either have been exhibited previously to the Company or be enclosed with the proxy form.

Proxy forms must be:

- received by mail at **Malachite Resources NL, PO Box 5218 WEST CHATSWOOD NSW 1515**; or
- deposited at **Malachite Resources NL, Suite 1502, Keycorp Tower B, 799 Pacific Highway, CHATSWOOD**; or
- sent by fax to fax number: **02 9411 6066** (+61 2 9411 6066 from overseas)

by 10.00 am on 21 November, 2006.

By Order of the Board

A handwritten signature in black ink that reads "Andrew Cooke". The signature is written in a cursive style with a long, sweeping underline.

**Andrew J Cooke**  
**Company Secretary**  
**18 October 2006**

# **EXPLANATORY MEMORANDUM TO NOTICE OF ANNUAL GENERAL MEETING**

## **Resolution 1.**

### **Financial Report – Year Ended 30 June 2006**

The Corporations Act 2001 (“Corporations Act”) requires the financial report (which includes the financial statements and the directors’ declaration), the directors’ report and the auditor’s report to be laid before the AGM. There is no requirement either in the Corporations Act or in the Constitution of the Company for shareholders to approve the financial report, the directors’ report or the auditor’s report. Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the financial report.

## **Resolution 2.**

### **Advisory/Non-binding Vote on Remuneration Report**

The Directors’ Report for the year ended 30 June 2006 contains a Remuneration Report which sets out the policy on remuneration of the directors of the Company and specified executives on the Company.

The Corporations Act requires that a resolution be put to the vote that the Remuneration Report be adopted. The Corporations Act expressly provides that the vote is advisory and does not bind the directors of the Company.

Shareholder attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

## **Resolution 3.**

### **Re-election of Mr. Roy Randall as a Director**

Roy Randall is a former partner of the Sydney office of Stikeman, Elliott, Canada’s pre-eminent international law firm. Prior to joining Stikeman, Elliott in early 1997 he was a partner at Freehill Hollingdale and Page in Sydney. Roy has more than 35 years broad practical experience in many areas of corporate legal practice and has also worked as a merchant banker. His extensive legal experience has extended to the areas of natural resources, structuring international transactions and infrastructure development. He has previously represented both issuers and underwriters in connection with initial public offerings for gold mining companies and advised on takeovers in the mining sector.

## **Resolution 4.**

### **Re-election of Mr. Denis M. O’Neill as a Director**

Denis O’Neill is a geologist with 32 years professional experience in mineral exploration and mining, both in Australia and abroad. He has worked in technical and management roles that include 10 years with Macmin Silver Ltd, where he is currently Managing Director. Previously Denis worked for four years as Chief Geologist for the Delta Gold Group of Companies in Australia and 7 years directing exploration projects

in Italy, Ireland and the United Arab Emirates for Noranda Mines Ltd. Associated with the discovery of the "Reward" and "Highway" VHMS ore bodies (Charters Towers) earlier in his career and more recently the "Twin Hills" silver deposit at Texas, NSW. Graduate of the University of NSW (BSc in Applied Geology).

## Resolution 5.

### Ratification of Previous Issue of Shares & Options

The Company issued a total of 4,739,000 shares and 3,114,000 options to the persons on the dates and at the prices listed in the table below.

ASX Listing Rule 7.1 limits the number of equity securities that a company may issue without member approval to 15% of the issued capital of the company in any 12 month period (subject to certain exceptions).

ASX Listing Rule 7.4 allows an issue of securities to be subsequently approved by shareholders and treated as having been made with approval of shareholders for the purpose of ASX Listing Rule 7.1. The Company is seeking subsequent shareholder approval for the issue of shares under ASX Listing Rule 7.4 to refresh the Company's capacity to issue up to 15% of its issued shares, if required, in the next 12 months without the need to obtain shareholder approval.

All of the shares being the subject of this resolution are ordinary fully paid shares which rank equally with all of the Company's existing ordinary fully paid up shares and are quoted on the ASX.

The options have an exercise price of 20 cents, exercisable on or before 31 August 2008 and are governed by the same terms and conditions applying to the existing options issued by the Company and trading on the ASX having an expiry date of 31 August 2008.

Funds raised from the issues of securities have been used to advance the Company's various exploration projects and for working capital.

Date of Issue	Party to whom shares have been Issued	Number of Shares (and options) Issued	Issue Price per Share (cents)
3 February 2006	Institutional, professional, sophisticated investors and clients of Martin Place Securities Pty Ltd	3,114,000 shares (and 3,114,000 options)	10
25 July 2006	SIA Bok Hing	100,000	16
	CHIN Swee Siew	65,000	16
	CHIN Mei Yang	65,000	16
	CHUA Lew Kee	70,000	16
	LOAH Kwee Wah	125,000	16
	TEO Ngiang Heng	1,000,000	16
	Mrs Diana Jeannette Trebeck & Mr David Bruce Trebeck <Fairo Super A/C>	200,000	16

## Resolution 6.

### Approve Proposed Issue of Shares & Options

ASX Listing Rule 7.1 limits the number of equity securities that a company may issue without member approval to 15% of the issued capital of the company in any 12 month period (subject to certain exceptions, including where prior shareholder approval is obtained).

If the issue of the securities has the prior approval of the shareholders the issue will not be included in the 15% limit on the Company to raise funds without shareholder approval.

The Company is seeking shareholder approval under ASX Listing Rule 7.1 for the proposed issue of 20,000,000 ordinary shares (at an issue price of not less than \$0.20 per share as the Board of Directors may so determine) and 10,000,000 attaching free August 2008 Options on a 1:2 basis as this issue exceeds the 15% limit and so that this number of securities is not included in the 15% limit calculation set out in ASX Listing Rule 7.1.

The securities will be issued on or before 23 February 2007.

The issues will be made pursuant to the exemptions to the prospectus requirements of the Corporations Act and accordingly allottees will include institutional, professional, sophisticated or foreign investors or clients of a financial services licensee to be identified by the Directors of the Company.

The shares shall be ordinary fully paid shares ranking *pari passu* with all of the Company's existing ordinary fully paid up shares.

The options will be issued for no consideration, have an exercise price of 20 cents, be exercisable on or before 31 August 2008 and be governed by the same terms and conditions applying to the existing options issued by the Company and trading on the ASX having an expiry date of 31 August 2008. A summary of the other principal terms of the issue of the options is as follows:

- Each option entitles the holder to subscribe for one ordinary share in the Company.
- Shares issued on the exercise of the options will rank equally with the then existing issued ordinary shares in the Company. The Company will apply to the ASX for quotation of all shares issued upon exercise of the options.
- Subject to the Company's constitution, the ASX Listing Rules and the Corporations Act 2001, the options are freely transferable.
- In the event of any reorganisation (including reconstruction, consolidation, subdivision, reduction or return) of the issued capital of the Company, the options will be reorganised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain the same.
- Holders of options will not be entitled to participate in new issues of capital which may be offered to shareholders during the currency of the options without exercising their options.

The Company proposes to raise up to \$5 million as a result of the proposed issue of shares. No funds will be raised from the issue of the options.

Funds raised from the issue of the shares will be used to advance the Company's various exploration projects including particularly further drilling and economic evaluation at the Company's Conrad Silver Mine in north eastern NSW and similar appraisal of the Mt. Lidster copper project in north west Queensland. In addition funds raised will be applied to further exploration and evaluation of the Company's other projects, including bulk sampling and, if appropriate, trial mining at Elsmore, near Inverell in northern NSW, and to provide working capital.

The Company will apply to the ASX for quotation of the shares and options to be issued. The options will be in the same class as the existing August 2008 options already on issue (MAROA).

## **Resolution 7.**

### **Approve Directors' Participation in Proposed Issue of Shares & Options**

Subject to the prior approval of Resolution 6, it is proposed that the Directors of the Company may participate in the issue of shares and options on the same terms as contemplated by Resolution 6 up to an aggregate of not more than 1,000,000 shares and 500,000 attaching August 2008 Options.

The names of each of the Directors who may participate are Dr. Garry Lowder, Russell Meares, Denis O'Neill, Warren Staude and Roy Randall.

The issue of shares and options to Directors will be effected by not later than 23 December 2006.

The shares and options to be issued to Directors will be issued on the same terms and conditions as the shares and options to be issued pursuant to Resolution 6 as described in detail above.

The funds raised from the issue of shares to Directors will be the same as the shares to be issued pursuant to Resolution 6 as described in detail above. No funds will be raised from the issue of options.

## **Resolutions 8, 9, 10, 11 & 12.**

### **Issue of Securities to Related Parties**

The issue of options to Dr. Garry Lowder, Mr. Russell Meares, Mr Denis O'Neill, Mr Warren Staude and Mr Roy Randall (directors and related parties of the Company) is designed to align the interests of these parties with those of the Company and its shareholders and is intended to provide incentive for each of them to further enhance the growth and value of the Company.

The options to be issued to the directors are in addition to the remuneration packages payable by the Company to each of them. The Board acknowledges that the issue of options to non-executive directors is a departure from the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations (Box 9.3). Nevertheless, the Board considers the issue of the options contemplated by these resolutions to be an effective means to compensate more adequately executive and non-executive directors at no cash cost to the Company, allowing it to constrain the levels of salaries and fees otherwise payable to executive and non-executive directors respectively.

The Company has a Remuneration Committee that reports to the Board of Directors and provides recommendations in terms of compensation and incentive plan arrangements for Directors and senior Employees, having regard to market conditions and the Company's and individuals' performance.

The determination of the number of options as referred to in resolutions 8 to 12 is based on the recommendation and discretion of both the Board and the Remuneration Committee.

### **Directors' Options Terms & Conditions**

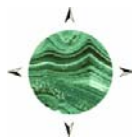
- Each option entitles the holder to subscribe for one ordinary share in the Company at a price of 30 cents (\$0.30).
- The options will have a grant date of 30 November 2006.
- The options will have an expiry date of 30 November 2011.
- One third of the options (rounded down to the nearest whole number) will vest on the first anniversary of the date of grant, an additional one third (rounded down to the nearest whole number) will vest on the second anniversary of the date of grant and the balance will vest on the third anniversary of the date of grant.
- Any unvested options will lapse if the holder ceases to be a director or employee of the Company.
- The Company will not apply to the ASX for official quotation of the options but will apply for granting of official quotation of shares issued pursuant to exercise of the options.
- Shares issued on the exercise of the options will rank equally with the then existing issued ordinary shares in the Company.
- The standard terms and conditions of issue of the Malachite August 2008 listed options (MAROA) will apply to these options. In particular:
  - in the event of any reorganisation (including reconstruction, consolidation, subdivision, reduction or return) of the issued capital of the Company, the options will be reorganised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain the same.
  - Holders of options will not be entitled to participate in new issues of capital which may be offered to shareholders during the currency of the options without exercising their options.

ASX Listing Rule 10.11 provides that a company must not issue equity securities to a related party of the company, such as a director, without the company obtaining the approval by ordinary resolution of its shareholders. The Company is seeking approval of shareholders under ASX Listing rule 10.11 to allow the Company to issue these options (up to a maximum of 3,000,000 options in aggregate) to Dr. Garry Lowder, Mr. Russell Meares, Mr. Denis O'Neill, Mr. Warren Staude and Mr. Roy Randall. If shareholders approve the issue of options under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

No funds will be raised from the issue of the options unless and until they are exercised.

No other shares or options have been issued to directors of the Company pursuant to any share or option incentive scheme in the past 12 months.

Subject to the approval of resolutions 8, 9, 10, 11 and 12 the issue of a total of three million (3,000,000) options, as referred to in these resolutions, will be effected as of 30 November 2006.



# **Malachite Resources NL**

**ABN 86 075 613 268**

Suite 1502, Keycorp Tower B  
799 Pacific Highway  
CHATSWOOD NSW 2067  
Tel. (02) 9411 6033 Fax (02) 9411 6066  
**[www.malachite.com.au](http://www.malachite.com.au)**

# MALACHITE RESOURCES NL

ABN 86 075 613 268

# Proxy Form

**Shareholder – please complete**

**Please post to:**

Malachite Resources NL  
PO Box 5218 WEST CHATSWOOD 1515

\_\_\_\_\_  
(full name of shareholder – please print)

**or Fax: (02) 9411 6066**

Enquiries: (02) 9411 6033

\_\_\_\_\_  
(address)

## Appointment of Proxy

I/We being a member/s of Malachite Resources NL and entitled to attend and vote hereby appoint

the Chair of the Meeting (mark with an "X")

OR

Write here the name of the person you are appointing if this person is **someone other than** the Chair of the Meeting.

or failing the person named, or if no person is named, the Chair 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 my/our Proxy sees fit) at the Annual General Meeting of Malachite Resources NL to be held on 21 November 2006 at 10 am and at any adjournment of that Meeting.

### Important: for Resolutions 2 to 12 below



If the Chair of the Meeting is your nominated Proxy, or may be appointed by default, and you have not directed your Proxy how to vote on each of Resolutions 2 to 12, please place a mark (an "X") in this box.

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy vote even if he has an interest in the outcome of the resolution/s and that votes cast by the Chair of the meeting for those resolutions other than as a proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your Proxy how to vote, the Chair will not cast your votes on each of Resolutions 2 to 12 and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chair of the Meeting intends to vote undirected Proxies in favour of all resolutions.

**Voting directions to your Proxy** – please mark X to indicate your directions:

Resolution	For	Against	Abstain *	Resolution	For	Against	Abstain*
2. Adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. Issue of Options to Dr. Garry Lowder	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Roy M. Randall as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. Issue of Options to Russell Meares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Re-election of Denis M. O'Neill as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Issue of Options to Denis O'Neill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of Previous Issue of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. Issue of Options to Warren Staude	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approve Proposed Issue of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. Issue of Options to Roy Randall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approve Directors Participation in Issue of Share & Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

\* 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 on that item and your votes will not be counted in computing the required majority on a poll on that item.

This section *must* be signed in accordance with the instructions under "Voting by Proxy" at the end of the Notice of General Meeting.

**SIGNATURE/S – please sign below where indicated – this form will be invalid is not correctly signed**

**Individual or Shareholder 1**

**Shareholder 2**

**Shareholder 3**

Sole director and sole company secretary

Director

Director/Company secretary

\_\_\_\_\_  
Contact name

\_\_\_\_\_  
Contact Daytime Telephone

\_\_\_\_/\_\_\_\_/\_\_\_\_  
Date