

# ROX RESOURCES LIMITED

ABN 53 107 202 602

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## NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

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**Date of Meeting**

22 November 2007

**Time of Meeting**

9:00 am WDT

**Place of Meeting**

The Celtic Club  
48 Ord Street  
WEST PERTH WA

**This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.**

# ROX RESOURCES LIMITED

(ABN 53 107 202 602)

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 2007 Annual General Meeting of Rox Resources Limited ("**Company**") will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on 22 November 2007 at 9.00am WDT for the purposes of transacting the following business referred to in this Notice of Annual General Meeting.

An Explanatory Memorandum containing information in relation to the following Resolutions accompanies this Notice of Annual General Meeting

Certain terms and abbreviations used in this Notice of Annual General Meeting and the accompanying Explanatory Memorandum have defined meanings which are continued in the Glossary in the Explanatory Memorandum.

### AGENDA

#### ORDINARY BUSINESS

##### **Receipt of Financial Statements and Reports for the year ended 30 June 2007**

To receive and consider the annual financial statements of the Company together with the Directors' and Auditor's Reports for the year ended 30 June 2007.

##### **Resolution 1 - Non-Binding Resolution to adopt the Remuneration Report**

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

*"That the Remuneration Report as set out in the Directors' Report in the Company's Annual Report for the year ended 30 June 2007 be adopted."*

Note: The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

##### **Resolution 2 - Election of Mr Jeffrey Gresham as a Director**

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

*"That, Mr Jeff Gresham, being a Director of the Company who retires by rotation in accordance with clause 13.2 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected a Director."*

#### SPECIAL BUSINESS

##### **Resolution 3 - Approval of Grant of Director Options to Mr Ian Mulholland**

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

*"That, pursuant to Section 208 of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Directors be and are hereby authorised to grant up to 2,000,000 Director Options for no consideration, each exercisable on or before 30 November 2010 at \$0.35 each, to Mr Ian Mulholland or his nominee, on the terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice of Meeting."*

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on this Resolution 3 by Mr Ian Mulholland or any associate of Mr Ian Mulholland. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- it is not cast on behalf of Mr Ian Mulholland or an associate of Mr Ian Mulholland in accordance with section 224(2) of the Corporations Act.

## **OTHER BUSINESS**

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

For further information please refer to the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.

By order of the Board of Directors

**Brett Dickson**  
**Company Secretary**



Date: 5 October 2007

## **PROXIES**

Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.

A proxy may, but need not be, a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer of his attorney duly authorised.

A proxy form and the authority (if any) under which it is signed or a certified copy of that authority must be deposited at the Company's registered office not less than 48 hours before the time for commencement of the meeting. Please send by post to PO Box 1167, West Perth WA 6872 or by fax to (08) 6380 2988.

## **VOTING ENTITLEMENTS**

In accordance with Section 1074E(2) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding ordinary shares at 5.00pm WDT on 20 November 2007 will be entitled to attend and vote at the Annual General Meeting.

## **CORPORATIONS**

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to, the Company before the meeting.

**ROX RESOURCES LIMITED**  
**ABN 53 107 202 602**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of Rox Resources Limited ("**Company**" or "**Rox**") to be held on Tuesday, 22 November 2007 at 9.00am WDT.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

**FINANCIAL STATEMENTS AND REPORTS**

Shareholders will be given an opportunity to ask questions of the Directors and the Auditor in relation to the accounts of the Company at the Annual General Meeting.

**RESOLUTION 1 - NON-BINDING RESOLUTION TO ADOPT THE REMUNERATION REPORT**

In accordance with Section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Rox Resources Limited Annual Report for the year ended 30 June 2007. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. The Company's Remuneration Report is set out in the Director's Report section of the Rox Resources Limited Annual Report for the year ended 30 June 2007 and is also available on the Company's website ([www.roxresources.com.au](http://www.roxresources.com.au)).

By way of summary, the Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to the Directors, sets out the remuneration details for each Director and any service agreements and sets out the details of any Share-based compensation.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting. The Directors recommend that Shareholders vote in favour of Resolution 1.

**RESOLUTION 2 - RE- ELECTION OF MR JEFFREY GRESHAM AS A DIRECTOR**

Clause 13.2 of the Company's Constitution provides that at each annual general meeting one-third of the Directors or, if their number is not a multiple of three, then such number as is appropriate to ensure that no Director holds office for more than 3 year, shall retire from office.

Mr Gresham retires from office in accordance with this requirement and, being eligible, submits himself for re-election as a Director. Mr Gresham is a geologist with a distinguished industry career of varied exploration, operational and corporate experience both in Australia and internationally spanning 39 years.

Previously he was managing director of Titan Resources Limited, an active nickel explorer in Western Australia, and roles prior to that have included managing director of gold miner Wiluna Mines Limited, general manager of exploration for Homestake Gold of Australia Limited (now Barrick Gold of Australia Limited), and several senior executive roles with Western Mining Corporation ("**WMC**") including chief geologist of the Kambalda Nickel Operations, and executive vice president of exploration for WMC's Canadian subsidiary, Westminster Canada Ltd.

Mr Gresham's extensive professional experience covers numerous mineral deposit types and he has authored a number of professional papers on the Kambalda nickel deposits and the Olympic Dam copper-uranium deposit, and has a B.Sc (Hons) degree from Victoria University, Wellington, New Zealand. Mr Gresham is also a non-executive director of Breakaway Resources Limited and View Resources Limited.

### **RESOLUTION 3 – APPROVAL OF GRANT OF DIRECTOR OPTIONS TO MR IAN MULHOLLAND**

Shareholder approval is being sought in Resolution 3 to grant a total of 2,000,000 Director Options to Mr Ian Mulholland, the Managing Director, or his nominee. Each Director Option is exercisable at \$0.35 on or before 30 November 2010, subject to the following vesting conditions:

- A first tranche of 1,000,000 Director Options are only exercisable from 27 April 2008; and
- A second tranche of 1,000,000 Director Options are only exercisable from 27 April 2009.

The terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

The grant of Director Options is designed to encourage Mr Mulholland to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership. Under the Company's current circumstances the Directors (in the absence of Mr Mulholland) consider that the incentive intended for him, represented by the issue of these Director Options, is a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The number of Director Options to be granted to Mr Mulholland has been determined based upon a consideration of:

- his current remuneration;
- the Directors' wish to ensure that the remuneration offered is competitive with market standards. The Directors consider the proposed number of Director Options to be granted will ensure that Mr Mulholland's overall remuneration is in line with market standards; and
- incentives to attract and ensure continuity of service of directors who have appropriate knowledge and expertise.

The Directors have determined the exercise price in light of the price of Shares over the last twelve months. In this regard, over the last 12 month period, the highest closing price of Shares was \$0.51 on 15 December 2006 and the lowest closing price was \$0.14 on 26 September 2007. The closing price on 4 October 2007 was \$0.15. In respect of the Director Options to be granted to Mr Mulholland, the exercise price of \$0.35 is a 130% premium to the weighted average closing Share price on the ASX over the five trading days preceding the 5 October 2007.

It should be noted that in the event the Director Options are exercised Mr Mulholland will be required to pay \$700,000 to the Company.

### **Related Party Transactions Generally**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

1. the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
2. prior shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

The grant of the Director Options to Mr Mulholland, or his nominee, constitutes a "financial benefit" as defined in the Corporations Act. Further, Mr Mulholland is a related party of the Company as defined under the Corporations Act because he is a Director. Accordingly, the proposed grant of Director Options to Mr Mulholland, or his nominee, pursuant to Resolution 3 constitutes the provision of a financial benefit to a related party of the Company that requires Shareholder approval.

### **Information Requirements**

For the purposes of Section 219 of the Corporations Act the following information is provided to Shareholders.

#### *The related party to whom the proposed resolution would permit the financial benefit to be given*

Subject to Shareholder approval the related party to whom the proposed Resolution would permit the financial benefit to be given is Mr Ian Mulholland, or his nominee.

#### *The nature of the financial benefit*

The proposed financial benefit to be given is the grant of 2,000,000 Director Options for no consideration to Mr Mulholland, or his nominee, as noted above. The terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

#### *Directors' recommendation*

All Directors were available to consider Resolution 3. Mr Mulholland declined to make a recommendation to Shareholders in respect of Resolution 3 due to the fact that he has a material personal interest in its outcome as it relates to the proposed grant of Director Options to him or his nominee.

Messrs Jeffrey Gresham and Michael Blakiston (who have no interest in the outcome of Resolution 3) recommend that Shareholders vote in favour of Resolution 3 as they believe it is appropriate to grant Mr Mulholland the Director Options in light of his expertise and experience.

#### *Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors*

Resolution 3 would have the effect of giving power to the Directors to grant a total of 2,000,000 Director Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above. The Company presently has 57,875,333 issued Shares and the following unlisted Options on issue.

<b>Number of Options</b>	<b>Option Terms</b>
5,250,000	Exercise price of \$0.20 each and expiry date of 31 January 2009
2,500,000	Exercise price of \$0.675 each and expiry date of 12 July 2009
1,000,000	Exercise price of \$0.35 each and expiry date of 30 November 2009
600,000	Exercise price of \$0.35 each and expiry date of 30 November 2009
950,000	Exercise price of \$0.35 each and expiry date of 31 May 2009

If all Director Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, the effect would be to dilute the shareholding of existing Shareholders and

optionholders by approximately 2.9%. The market price of the Company's Shares during the period of the Director Options will normally determine whether or not Mr Mulholland exercises the Director Options. At the time any Director Options are exercised and Shares are issued pursuant to the exercise of the Director Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Director Options.

At the date of this Notice Mr Mulholland has a relevant interest in 1,400,000 Shares and 3,000,000 Options, each exercisable at \$0.20 on or before 31 January 2009.

Mr Mulholland's base salary per annum and the total financial benefit to be received by him in this current period as a result of the grant of Director Options the subject of Resolution 3 are:

<b>Director</b>	<b>Base salary p.a. (\$)</b>	<b>Superannuation p.a. (\$)</b>	<b>Value of Director Options (\$)</b>	<b>Total Financial Benefit (\$)</b>
Mr Ian Mulholland	220,183	19,817	105,400	345,400

In the 12 month period ending 3 October 2007, the highest, lowest and most recent closing price of Shares on the ASX is as set out below:

	<b>Date</b>	<b>Price (cents)</b>
Highest	15 December 2006	51
Lowest	26 September 2007	14
Latest	3 October 2007	15

### **Valuation of Director Options**

The Company has valued the Director Options to be granted to Mr Mulholland, or his nominee, using the Binomial Model. The value of an option calculated by the Binomial Model is a function of a number of variables. The Company's assessment of the value of the Director Options has been prepared using the following assumptions:

<b>Variable</b>	<b>Input</b>
Share price	\$0.15
Exercise price	\$0.35
Risk free interest rate	6.25%
Volatility	80%
Time (years) to expiry	3 years

For the purposes of this valuation the Company has assumed 30 November 2007 as the issue date of the Director Options. For the Share price, the Company has assumed \$0.15 as this was the most recent Share price on ASX on 3 October 2007. The Company has also assumed a volatility level of 80%. Taking these factors into account, the term of the Director Options (3 years) and its past Share prices the estimated value of one Director Option is 5.27 cents.

The estimated value of 2,000,000 Director Options proposed to be granted to Mr Mulholland pursuant to Resolution 3 is \$105,400.

The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods commencing from 1 July 2005 means that, under AASB2 Share-based Payment, equity based compensation will be recognised as an expense in respect of the services received. Other than as set out in this Explanatory Memorandum, the Directors do not consider that from an economic

and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits foregone by the Company in granting the Director Options pursuant to Resolution 3.

Apart from the information set out in this Explanatory Memorandum, neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolution 3.

### **Listing Rule Requirements**

#### **Listing Rule 10.11**

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including the grant of options) to a related party of the Company. If Resolution 3 is passed, the Director Options will be granted to Mr Mulholland or his nominee. Mr Mulholland is a related party of the Company by virtue of him being a Director.

Accordingly, approval for the grant of the Director Options to Mr Mulholland is required pursuant to Listing Rule 10.11. Approval pursuant to Listing Rule 7.1 is not required in order to grant the Director Options to Mr Mulholland as approval is being obtained under Listing Rule 10.11. Shareholders should note that the grant of the Director Options to Mr Mulholland with approval under Listing Rule 10.11 will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11. For the purpose of Listing Rule 10.13, the following information is provided to Shareholders:

- (a) the Director Options will be granted to Mr Ian Mulholland or his nominee;
- (b) the maximum number of Director Options to be granted is 2,000,000;
- (c) the Director Options will be granted on a date which will be no later than one month after the date of this Meeting, or such later date as approved by ASX;
- (d) the Director Options will be granted for no consideration;
- (e) no funds will be raised by the grant of the Director Options; and
- (f) the terms and conditions of the Director Options are set out in Annexure A to this Explanatory Memorandum.

## GLOSSARY

"Annexure"	means an Annexure to this Explanatory Memorandum;
"ASX"	means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;
"Board"	means the board of directors of the Company;
"Company" or "Rox"	means Rox Resources Limited ABN 53 107 202 602;
"Constitution"	means the Constitution of the Company;
"Corporations Act"	means the Corporations Act 2001 (Cth);
"Directors"	means the directors of the Company;
"Director Options"	means Options having the terms and conditions set out in Annexure A to the Explanatory Memorandum;
"Explanatory Memorandum"	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice;
"Listing Rules"	means the Listing Rules of ASX;
"Meeting"	means the Annual General Meeting the subject of the Notice;
"Notice" or "Notice of Meeting"	means the Notice of Annual General Meeting which accompanies this Explanatory Memorandum;
"Option"	means an option to acquire a Share;
"Resolution"	means a resolution proposed pursuant to the Notice;
"Shares"	means fully paid ordinary shares issued in the capital of the Company;
"Shareholder"	means a shareholder of the Company; and
"WDT"	means Australian Western Daylight Time.

## ANNEXURE A

### TERMS AND CONDITIONS OF DIRECTOR OPTIONS TRANCHE ONE

1. No monies will be payable for the issue of the Director Options.
2. The Director Options will become exercisable after 27 April 2008.
3. The Director Options shall expire on 30 November 2010 ("**Expiry Date**"). In addition the options will lapse should Mr Ian Mulholland cease employment, for whatever reason, with the Company.
4. Subject to condition 12 each Director Option shall carry the right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company ("**Share**").
5. Subject to condition 12 the Shares allotted to option holders on exercise of the Director Options shall be issued at a price of 35 cents each ("**Exercise Price**").
6. Subject to condition 12 the Exercise Price of Shares the subject of the Director Options shall be payable in full on exercise of the Director Options.
7. Director Options shall be exercisable by the delivery to the registered office on the Company of a notice in writing stating the intention of the option holder to:
  - (a) exercise all or a specified number of Director Options; and
  - (b) pay the subscription monies in full for the exercise of each Director Option.

The notice must be accompanied by a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Director Options shall not affect the rights of the option holder to the balance of the Director Options held by him.

8. The Company shall allot the resultant Shares and deliver the holding statement within five business days of the exercise of the Director Option.
9. The Director Options shall be transferable only to related parties but will not be listed on the Australian Stock Exchange Limited ("**ASX**").
10. Shares allotted pursuant to an exercise of Director Options shall rank, from the date of allotment, equally with existing Shares in all respects.
11. The Company shall within five business days of any exercise of the Director Options apply for official quotation on the ASX of the Shares allotted pursuant to the exercise of any of the Director Options.
12. In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Director Option shall be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

O' = the new exercise price of the Director Option

O = the old exercise price of the Director Option

- E = the number of underlying securities into which one Director Option is exercisable
- P = the average market price per Share (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a rights to one new security.

13. In the case of a bonus issue the number of Shares over which the Director Option is exercisable shall be increased by the number of Shares which the option holder would have received if the Director Option had been exercised before the record date for the bonus issue. The Company shall notify the ASX of the adjustments in accordance with the Listing Rules.
14. In the event of any reconstruction ( including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Director Options or the exercise price of the Director Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules of ASX.
15. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

**TERMS AND CONDITIONS OF DIRECTOR OPTIONS  
TRANCHE TWO**

1. No monies will be payable for the issue of the Director Options.
2. The Director Options will be exercisable after 27 April 2009.
3. The Director Options shall expire on 30 November 2010 ("**Expiry Date**"). In addition the options will lapse should Mr Ian Mulholland cease employment, for whatever reason, with the Company.
4. Subject to condition 12 each Director Option shall carry the right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company ("**Share**").
5. Subject to condition 12 the Shares allotted to option holders on exercise of the Director Options shall be issued at a price of 35 cents each ("**Exercise Price**").
6. Subject to condition 12 the Exercise Price of Shares the subject of the Director Options shall be payable in full on exercise of the Director Options.
7. Director Options shall be exercisable by the delivery to the registered office on the Company of a notice in writing stating the intention of the option holder to:
  - (a) exercise all or a specified number of Director Options; and
  - (b) pay the subscription monies in full for the exercise of each Director Option.

The notice must be accompanied by a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Director Options shall not affect the rights of the option holder to the balance of the Director Options held by him.

8. The Company shall allot the resultant Shares and deliver the holding statement within five business days of the exercise of the Director Option.
10. The Director Options shall be transferable only to related parties but will not be listed on the Australian Stock Exchange Limited ("**ASX**").
10. Shares allotted pursuant to an exercise of Director Options shall rank, from the date of allotment, equally with existing Shares in all respects.
11. The Company shall within five business days of any exercise of the Director Options apply for official quotation on the ASX of the Shares allotted pursuant to the exercise of any of the Director Options.
12. In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Director Option shall be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

O' = the new exercise price of the Director Option

O = the old exercise price of the Director Option

E = the number of underlying securities into which one Director Option is exercisable

- P = the average market price per Share (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a rights to one new security.

13. In the case of a bonus issue the number of Shares over which the Director Option is exercisable shall be increased by the number of Shares which the option holder would have received if the Director Option had been exercised before the record date for the bonus issue. The Company shall notify the ASX of the adjustments in accordance with the Listing Rules.
14. In the event of any reconstruction ( including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Director Options or the exercise price of the Director Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules of ASX.
16. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

# ROX RESOURCES LIMITED

ABN 53 107 202 602

## PROXY FORM

The Company Secretary

Rox Resources Limited

Address: Ground Floor, 63 Hay Street  
SUBIACO WA 6008

Facsimile: (08) 6380 2988

I/We (name of shareholder) .....

of (address) .....

being a member/members of Rox Resources Limited HEREBY APPOINT

(name) .....

of (address) .....

and/or failing him (name) .....

of (address) .....

or failing that person then the Chairman of the Annual General Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 22 November 2007 at 9.00am WDT at The Celtic Club, 48 Ord Street, West Perth, Western Australia and at any adjournment of the meeting.

*Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:*

I/We direct my/our Proxy to vote in the following manner: For Against Abstain

Resolution 1 – Non-Binding Resolution to Adopt the Remuneration Report

Resolution 2 – Re-election of Mr Jeffrey Gresham as a Director

Resolution 3 – Approval of Grant of Director Options to Mr Ian Mulholland

The Chairman intends to vote **in favour** of all the Resolutions in relation to undirected proxies.

***This Proxy is appointed to represent \_\_\_\_% of my voting right, or if 2 proxies are appointed Proxy 1 represents \_\_\_\_% and Proxy 2 represents \_\_\_\_% of my total votes. My total voting right is \_\_\_\_ Shares***

*If the shareholder is an individual:*

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

*If the shareholder is a company:*

Affix common seal (if required by Constitution)

\_\_\_\_\_  
Director/Sole Director and Secretary

\_\_\_\_\_  
Director/Secretary

Dated: 2007

## INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the Shareholder's proxy. A proxy need not be a Shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the Shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer of the Company or its duly authorised attorney. In the case of joint Shareholders, this proxy must be signed by at least one of the joint Shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a Shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting **that is by 9.00am WDT on 20 November 2007** by post or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
  - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
  - (b) 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;
  - (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way; and
  - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a Shareholder, the proxy can cast any votes the proxy holds as a Shareholder in anyway that the proxy sees fit.

7. The Chairman intends to vote in favour of all Resolutions in relation to undirected proxies.