

# **DYNASTY METALS AUSTRALIA LTD**

---

**ABN 80 110 385 709**

## **Notice of General Meeting and Explanatory Statement**

**General Meeting to be held at  
Level 1, 10 Stirling Highway, Nedlands, Western Australia  
on Tuesday 24 July 2007 commencing at 11.00am**

This Notice of General Meeting and Explanatory Statement 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.

# Notice of General Meeting

---

A General Meeting of Dynasty Metals Australia Ltd will be held at Level 1, 10 Stirling Highway, Nedlands, Western Australia on Tuesday, 24 July 2007 commencing at 11.00am WST.

## Special Business

### 1 Approval for the Issue of Options to David McSweeney

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

“That the issue of 2,000,000 Options to Mr David McSweeney, and the issue of Shares following exercise of such Options to Mr David McSweeney be approved for the purposes of ASX Listing Rule 10.11, and for all other purposes, on the terms set out in the Explanatory Statement”.

### 2 Approval for the Issue of Options to Andrew Stocks

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

“That the issue of 500,000 Options to Mr Andrew Stocks, and the issue of Shares following exercise of such Options to Mr Andrew Stocks be approved for the purposes of ASX Listing Rule 10.11, and for all other purposes, on the terms set out in the Explanatory Statement”.

### 3 Approval for Non-Executive Director Fees

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

“That, for the purpose of ASX Listing Rule 10.17, Chapter 2E of the Corporations Act, the Company’s Constitution and for all other purpose the Non-Executive Directors are to be paid a fee for their services not to exceed the aggregate sum of \$200,000, to be divided as determined by the Directors”.

### 4 Approval to Renew the 15% Placement Power

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

“That, for all purposes, Shareholders approve to renew the 15% placement power following the issue of 5,000,000 Shares to the parties, for the purposes and on the terms set out in the Explanatory Statement”.

### 5 Approval of the Joint Venture with Uranium International Limited in the Kunderong Project, subject to successful application on the Kunderong tenement.

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

“That, for all purposes, Shareholders approve the Joint Venture between Uranium International Limited (UIL) and Dynasty Metals Australia in the Kunderong Project, subject to successful application. Terms are set out in the Explanatory Statement”.

## Voting Exclusions

For the purposes of:

- (a) (Resolution 1-2 and 5): Listing Rule 10.11, and section 224 of the Corporations Act, the Company will disregard any votes cast on these Resolutions by any associated Director of the Company and any of their associates,
- (b) (Resolution 3): The Company will disregard any votes cast on there Resolutions by any Director of the Company and any of their associates,

unless 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 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).

**Explanatory Statement**

The Explanatory Statement accompanying this Notice of General Meeting is incorporated in and comprises part of this Notice of General Meeting.

**Proxies**

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.


The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

**“Snap-shot” Time**

The Company may specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

The Company’s directors have determined that all shares of the Company that are quoted on ASX at 5:00pm WST on 20 July 2007 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the shares at that time.

**By Order of the Board of Directors**



**Ms Rita Brooks**  
Managing Director  
Dynasty Metals Australia Ltd

6 June 2007

## **Explanatory Statement**

---

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at a General Meeting of the Company.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolution in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting.

### **1 Resolution 1 and 2**

#### **Approval for the Issue of Securities to Directors**

##### **(a) General Background**

Shareholders are being asked to approve Resolution 1 and 2 in connection with the issue of options to Mr David McSweeney as Chairman of the Company and Mr Andrew Stocks as a Director of the Company on the following terms and conditions:

##### *Mr David McSweeney*

- 1,000,000 options exercisable at \$0.25 each on or before 10 January 2010. These options are vested immediately and expiring within one month of resignation from the position.

- 1,000,000 options exercisable at \$0.40 each on or before 10 January 2010. These options can only be vested 12 months from the commencement date and expiring within two months of resignation from the position.

Mr David McSweeney is a related party for the purposes of the Corporations Act. Resolution 1 is therefore required to be passed before the issues can proceed.

##### *Mr Andrew Stocks*

- 250,000 options exercisable at \$0.25 each on or before 10 January 2010. These options are vested immediately and expiring within one month of resignation from the position.

- 250,000 options exercisable at \$0.40 each on or before 10 January 2010. These options can only be vested 12 months from the commencement date and expiring within two months of resignation from the position.

Mr Andrew Stocks is a related party for the purposes of the Corporations Act. Resolution 2 is therefore required to be passed before the issues can proceed.

##### **(b) Approval of the Issue of Securities**

The Resolutions seeks shareholder approval in order to comply with the requirements of ASX Listing Rule 10.13 and section 208 of the Corporations Act. If approval is given by shareholders under Listing Rule 10.13 (as an exception to Listing Rule 10.11), separate shareholder approval is not required under Listing Rule 7.1.

These requirements is addressed below.

##### **(c) ASX Listing Rule 10.13**

Under Resolution 1 and 2, the Company seeks approval from Shareholders for the issue of 2,000,000 Options to David McSweeney and 500,000 Options to Andrew Stocks who by virtue of his position as Chairman of the Company and Directors of the Company respectively is therefore regarded as a related party of the Company.

Listing Rule 10.11 provides that a Company must not issue equity securities (including options to acquire shares) to a Director of the Company unless the issue has been approved by shareholders by ordinary resolution.

The Options will be granted for nil consideration, 1,250,000 exercisable at \$0.25 each on or before 10 January 2010 and 1,250,000 exercisable at \$0.40 each on or before 10 January 2010. A total of 2,500,000 Options may be issued if the resolutions are approved. The Options will provide an incentive to David McSweeney and Andrew Stocks to enhance the future value of the Shares, for

the benefit of all Shareholders. The Company will issue the Options under Resolution 1 and 2 within one month after Shareholder approval.

The Company will raise a total of \$812,500 if all the Options are exercised and Shares are subscribed for during the exercise period to 10 January 2010. These funds will be used to fund the evaluation, acquisition and exploration additional projects and general working capital requirements. There is no guarantee that the Options will be exercised at any time.

The Options will be issued on the terms and conditions set out in Annexure A to this Explanatory Statement. The Company will not apply to ASX for Official Quotation of the Options.

**(d) Section 208 Corporations Act**

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The issue of the Options contemplated by Resolution 1 and 2 constitutes the provision of a financial benefit to related parties. Section 229 of the Corporations Act includes as an example of a financial benefit, the issuing of securities or the granting of an option to a related party.

A “related party” is widely defined under the Corporations Act, and includes Directors of the Company. David McSweeney and Andrew Stocks is a related party of the Company for the purposes of section 229 of the Corporations Act.

A “financial benefit” is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit.

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

1. the giving of the financial benefit falls within one of the exceptions to the provision;
- or
2. prior shareholder approval is obtained to the giving of the financial benefit.

**(e) Information Requirements**

For the purposes of Chapter 2E, David McSweeney and Andrew Stocks is a related party of the Company.

For the purposes of section 219 of the Corporations Act the following information is provided to shareholders to enable them to assess the merits of the resolution.

**(f) The Related Party to Whom the Proposed Resolutions Would Permit the Benefit to be Given**

David McSweeney (“**Related Party**”).

Andrew Stocks (“**Related Party**”).

**(g) The Nature of the Financial Benefit**

The proposed financial benefit to be given is the issue of 2,500,000 Options to the Related Party as specified in the table below. Options will be issued on the terms set out in Annexure A to this Explanatory Statement.

The Company currently has on issue 33,546,125 Shares, 21,768,158 listed Options and 500,000 unlisted Options. On the assumption that all of the existing options (unless otherwise specified) are not exercised, the Relevant Interests of the Related Party is set out in the table below. Using the same assumption and further assuming:

- (i) the Related Party exercise his existing options;
- (ii) the Related Party exercise the options to be issued under Resolution 1; and
- (iii) no more Shares or options are issued exercised by the Company,

(“**Assumptions**”), the Relevant Interests of the Related Parties in Shares before and after the transactions described in this Notice of Meeting is set out in the Relevant Interests Table below:

RELEVANT PARTY WITH RELEVANT INTERESTS	NUMBER OF SHARES HELD AS AT THE DATE OF NOTICE OF MEETING	% OF SHARES HELD AS AT THE DATE OF NOTICE OF MEETING	NUMBER OF OPTIONS HELD AS AT THE DATE OF NOTICE OF MEETING	% OF OPTIONS HELD AS AT THE DATE OF NOTICE OF MEETING	NUMBER OF OPTIONS TO BE ISSUED	% OF OPTIONS TO BE ISSUED	NUMBER OF SHARES ON ISSUE (BASED ON ASSUMPTIONS)	% OF SHARES ON ISSUE (BASED ON ASSUMPTIONS)
DAVID MCSWEENEY	83,000	0.25	-	-	2,000,000	80.00	2,083,000	5.78
ANDREW STOCKS	44,000	0.13	-	-	500,000	20.00	544,000	1.5

If the options to be issued under Resolution 1 and 2 are exercised (but assuming that existing options held by the Related Party are not exercised), the Company's issued share capital will increase by 2,500,000 Shares representing 7% of the issued share capital of the Company on a fully diluted basis, diluting the shareholders by a corresponding amount.

**(h) Directors' Recommendations**

Mrs Brooks, Mr Stocks and Mr Anderson do not have a material personal interest in Resolution 1 and recommend that the non-associated Shareholders vote in favour of this Resolution 1 because they believe that the issue of the Options to Mr McSweeney is in the best interests of the Company as it will provide an incentive to increase the value of Shares, for the benefit of all Shareholders.

Mr McSweeney declines to make a recommendation to Shareholders in relation to Resolution 1 because he has a material personal interest in the outcome of Resolution 1.

Mrs Brooks, Mr McSweeney and Mr Anderson do not have a material personal interest in Resolution 2 and recommend that the non-associated Shareholders vote in favour of this Resolution 2 because they believe that the issue of the Options to Mr Stocks is in the best interests of the Company as it will provide an incentive to increase the value of Shares, for the benefit of all Shareholders.

Mr Stocks declines to make a recommendation to Shareholders in relation to Resolution 2 because he has a material personal interest in the outcome of Resolution 2.

**(i) Other Information that is Reasonably Required by Members to Make a Decision and that is Known to the Company or any of its Directors**

It is a requirement of ASIC that a dollar value be placed on the Options to be issued to the Related Party.

The Black-Scholes option price calculation method is regarded as acceptable by ASIC as a valuation model where the Placement Options cannot be readily valued by some other means.

In determining the dollar value for the Placement Options, the Company is required to disclose the following assumptions made:

- (i) the Placement of 1,250,000 Options are to be exercisable at \$0.25 each;
- (ii) the Placement of 1,250,000 Options are to be exercisable at \$0.40 each;
- (iii) the Placement Options are to be exercised on or before 10 January 2010;
- (iv) price volatility of the Shares is approximately 50%;
- (v) no discount has been allowed notwithstanding their unlisted status;
- (vi) the Share price at issue will be 30 cents per Share; and
- (vii) the average current risk free interest rate is 5.6%.

On this basis, the implied “value” being received by each Related Party is 10.465 cents per Option. The implied “value” being received by each Related Party for the Options is as follows:

Related Party	Value
David McSweeney	\$209,300
Andrew Stocks	\$52,325

If the Options the subject of resolution 1 and 2 are all exercised, the Company will receive \$650,000.

The Related Party who is a Director make the following additional disclosure.

The relevant Director’s base salaries per annum (including superannuation), or consulting fees and the total financial benefit to be received by them to 30 June 2007, when added to the implied “value” to be received by each of the following director as a result of the issue of options the subject of resolution 1 and 2 is as follows:

Director	Description	(\$ p.a.	Value of Options to be Issued (\$)	Total Financial Benefit (\$)
David McSweeney	Non executive Chairman’s fee	60,000	209,300	269,300
Andrew Stocks	Non executive Director’s fee	24,000	52,325	76,325

**(j) Trading History**

Over the last 12 months the Shares have traded between 13.5 cents per Share (lowest) and 39.5 cents per Share (highest). The latest trading price available at the time of preparing this Notice of Meeting was 30 cents per Share.

There is a potential benefit that accrues to David McSweeney and Andrew Stocks if the market trading price of the Shares issued following exercise of the Options exceeds the exercise price. This benefit would accrue on the sale of the Shares for an amount in excess of the exercise price.

**2 Resolution 3**

**To Increase the Total Approval Level of Non-Executive Directors Fees**

The Constitution of the Company requires shareholders to approve the maximum fees payable to Non-Executive Directors for acting in their capacity as Non-Executive Directors of the Company. This does not include salary or consultancy fees paid to Directors when providing services to the Company other than in their capacity as Directors.

Due to the significant increase in the Company’s activities since the last approval from shareholders the Directors consider it appropriate to seek shareholder approval to increase the aggregate from \$150,000 to \$200,000 to be paid to Directors as approved by the Board.

**3 Resolution 4**

**To renew the 15% Placement Power**

In the previous 12 months, the Company has issued equity securities to the parties detailed below.

Listing Rule 7.1 provides that a company must not, without prior approval of Shareholders, issue securities if the securities will in themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Under this resolution, the Company seeks from Shareholders approval for, and ratification of, the issues of securities set out below so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities in the next 12 months.

Details of the Shares issued are set out in the table below. They comprise 12.97% of the Company's share capital.

Listing Rule 7.5 requires the following information to be given to Shareholders:

<b>Date of Issue</b>	<b>Allottee</b>	<b>Issue Price</b>	<b>Number of Shares Issued</b>
1 June 2007	Various sophisticated investor clients of Macquarie Equities Limited	26 cents	5,000,000

The Company has used the funds raised for the purposes of additional working capital.

The Board believes that the ratification of this issue is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 4 as it allows the Company to ratify the above issue of Shares and retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months. The Chairman intends to vote undirected proxies in favour of this resolution.

#### **4 Resolution 5**

##### **Approval of the Joint Venture with Uranium International Limited in the Kunderong Project, subject to successful application on the Kunderong tenement**

###### **a) General Background**

Shareholders are being asked to approve Resolution 5 in connection with the Joint Venture of Kunderong Project with Uranium International Limited (URI).

Ms Rita Brooks is a Director and Shareholder of URI and therefore is a related party for the purposes of the Corporations Act.

The Company proposes to accept the offer from Uranium International Limited to Joint Venture the Kunderong Project. An independent review has been conducted by Al Maynard & Associates and they advise the Company that the offer is reasonable by URI. Al Maynard & Associates are Independent Geologist Consultants.

The Kunderong tenement package comprises one exploration license application (E52/1948), totalling 133 square kilometres (40 graticular blocks) in Western Australia.

Uranium International Limited is an unlisted public Australian company with a portfolio of uranium and base metal exploration tenements and applications in Western Australia. URI plans to explore the tenement package for uranium, gold and base metals. Preparations for an IPO are well underway and URI has also offered Dynasty shareholders a preference allocation in its IPO.

The offer is to an earn-in to the Kunderong Exploration Licence upon grant of the tenement to:

1. Repay \$ 6,000 of costs of the exploration licence application upon grant by the DOIR;
2. Meet the minimum Mines Dept expenditure commitment;
3. Conduct expenditure up to \$200,000 over 36 months;
4. Dynasty (DMA) retains a Royalty of 2.5% on all metals;
5. URI may elect to purchase the Royalty for \$500,000.

###### **b) Approval of Joint Venture of Kunderong Project with URI**

The Resolution seeks shareholder approval in order to comply with the requirements of Section 208 of the Corporations Act.



These requirements are addressed below.

**c) Section 208 Corporations Act**

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The Joint Venture of Kunderong Project contemplated by Resolution 5 constitutes the provision of a financial benefit to related parties. Section 229 of the Corporations Act includes as an example of a financial benefit, selling an asset to a related party.

A “related party” is widely defined under the Corporations Act, and includes Directors of the Company. Ms Rita Brooks is a related party of the Company for the purposes of section 229 of the Corporations Act.

A “financial benefit” is construed widely and in determining whether a financial benefit is being given, section 229 of the Corporations Act requires that any consideration that is given is disregarded, even if the consideration is adequate. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit.

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

3. the giving of the financial benefit falls within one of the exceptions to the provision;
- or
4. prior shareholder approval is obtained to the giving of the financial benefit.

**d) Information Requirements**

For the purposes of Chapter 2E, Ms Rita Brooks is a related party of the Company.

For the purposes of section 219 of the Corporations Act the information regarding the Joint Venture of Kunderong Project has been provided above to shareholders to enable them to assess the merits of the resolution. The Board of DMA has no knowledge as to the success and timing of the grant of this application and as such it is considered a non core asset of the Company.

**e) The Related Party to Whom the Proposed Resolutions Would Permit the Benefit to be Given**

Rita Brooks (“**Related Party**”).

**f) Directors’ Recommendations**

Mr McSweeney, Mr Stocks and Mr Anderson do not have a material personal interest in Resolution 5 and recommend that the non-associated Shareholders vote in favour of this Resolution 5 because they believe that the Joint Venture of Kunderong Project with URI is in the best interests of the Company.

Ms Brooks declines to make a recommendation to Shareholders in relation to Resolution 5 because she has a material personal interest in the outcome of Resolution 5.

## Annexure A

### DIRECTORS' OPTIONS

#### Terms and Conditions of Option

The options are issued under the terms of the Dynasty Metals Australia Ltd Directors' Option Plan ("Plan"). The full terms of the options are set out in the Plan a copy of which may be obtained from the Company. The following is a summary of those terms. In the event of any inconsistency between the terms of the Plan and the summary set out below, the terms of the Plan will prevail.

1. The Options shall be issued for nil consideration.
2. The Options shall expire on the 10<sup>th</sup> January 2010.
3. Each Option shall confer the right to subscribe for one fully paid ordinary share, ranking pari passu with the fully paid ordinary shares of the Company on issue at the date of allotment of such shares.
4. The exercise price for 1,250,000 Options shall be 25 cents and 1,250,000 Options shall be 40 cents.
5. The Options will not be listed for Official Quotation on Australian Stock Exchange Limited and may be transferred to related entity at any time in whole or part.
6. A certificate will be issued for the Options ("Option Certificate"). On the reverse side of the Option Certificate there will be endorsed a statement of the rights of the option holder and a notice that is to be completed when exercising the Options ("Exercise Notice"). If there is more than one Option comprised in this certificate and prior to the Expiry Date those Options are exercised in part, the Company will issue another certificate for the balance of the Options held and not yet exercised.
7. The Options shall be exercisable by completing and lodging the Exercise Notice set out in the Option Certificate at any time on or before the Expiry Date.
8. An option may only be exercised after that option has vested, after any conditions associated with the exercise of the option are satisfied and before its expiry date. 1,250,000 options at 25 cents are vested immediately and 1,250,000 options at 40 cents are vested 12 months from commencement date of his position. On the grant of an option the Board may in its absolute discretion impose other conditions on the exercise of an option.
9. If the Company enters into a scheme of arrangement, a takeover bid is made for the Company's Shares, or a party acquires a sufficient interest in the Company to enable them to replace the Board (or the Board forms the view that one of those events is likely to occur) then the Board may declare an option to be free of any conditions of exercise. Options which are so declared may be exercised at any time on or before they lapse.
10. There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 6 ASX Business Days after the issue is announced.
11. If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves ("**Bonus Issue**"), each option holder holding any options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those options the number of Shares which would have been issued under the Bonus Issue ("**Bonus Shares**") to a person registered as holding the same number of Shares as that number of Shares to which the option holder may subscribe pursuant to the exercise of those options immediately before the record date determining entitlements under the Bonus Issue (in addition to the shares which he or she is otherwise entitled to have issued to him or her upon such exercise).
12. In the event that the Director no longer remains as the Director of the Company, 1,250,000 options at 25 cents will expire within one month of resignation from the position and 1,250,000 options at 40 cents will expire within two months of resignation from the position.
13. In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any options, the number of options to which each option holder is entitled or the exercise price of his or her options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the ASX Listing Rules.

**Shareholder Details**

Name: .....

Address: .....

Contact Telephone No: .....

Contact Name (if different from above): .....

**Appointment of Proxy**

I/We being a shareholder/s of Dynasty Metals Australia Ltd and entitled to attend and vote hereby appoint

The Chairman  
of the meeting

**OR**

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

(mark with an 'X')

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and 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 the proxy sees fit) at the General Meeting of Dynasty Metals Australia Ltd to be held at Level 1, 10 Stirling Hwy, Nedlands WA 6009 on 24 July 2007 at 11.00am WST and at any adjournment of that meeting.

**IMPORTANT**




If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, please place a mark in this box with an 'X'. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by him, other than as a proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolutions and your votes will not be counted in computing the required majority if a poll is called. The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.

**Voting directions to your proxy – please mark  to indicate your directions**

**Special Business**

		For	Against	Abstain*
Resolution 1	Approval of Securities Issue to David McSweeney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Securities Issue to Andrew Stocks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Directors Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of renewing the 15% Placement Power	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Joint Venture of Kunderong Project with URI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Appointment of a second proxy (see instructions overleaf)

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form  %

**PLEASE SIGN HERE**  
**implemented**

**This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented**

Individual or Shareholder 1

Sole Director and  
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

## How to complete this Proxy Form

### Your Name and Address

Please print your name and address as it appears on your holding statement and the company's share register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company.

### Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company on 08 9389 1884 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

### Signing Instructions

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

- |                    |  |
|--------------------|--|
| Individual:        | where the holding is in one name, the holder must sign.  |
| Joint Holding:     | where the holding is in more than one name, all of the shareholders should sign.   |
| Power of Attorney: | to sign under Power of Attorney, you must have already lodged this document with the company's share registry. If you have not previously lodged this document for notation, 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, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. |

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate is either included in the Notice of General Meeting or may be obtained from the company's share registry.

### Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting. ie. no later than 11:00am on 20 July 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the company's registered office at Level 1, 10 Stirling Hwy Nedlands WA 6009 or sent by facsimile to the registered office on 08 9389 1284.

