

31 October 2013

ASX ANNOUNCEMENT



**Avalon Minerals Limited (ASX: AVI)
("Avalon" or "Company")**

NOTICE OF ANNUAL GENERAL MEETING

Please find attached the following documentation being despatched today to all shareholders of Avalon.

- Notice of Annual General Meeting and Explanatory Memorandum.

A personalised Proxy form will also be provided with the meeting material.

The Company's 2013 Annual Report is also being despatched to those shareholders who requested a hard copy.

Electronic copies of the AGM material and the 2013 Annual Report are available on the Company's website.

Roslynn Shand
Company Secretary

For further information please visit www.avalonminerals.com.au

ASX: AVI

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Avalon Minerals Ltd
(ACN 123 184 412)

Notice of Annual General Meeting

Notice is given that the Annual General Meeting for Avalon Minerals Ltd (123 184 412) (the **Company**) for 2013 will be held on 29 November 2013 at 2.00 pm (Brisbane time) at Endeavour 1 Room, Level 1, Christie Conference Centre, 320 Adelaide Street (Corner of Wharf and Adelaide Street), Brisbane, Australia.

Important: The resolutions set out in this Notice should be read together with the accompanying Explanatory Memorandum.

Agenda

Financial Statements and Reports

To consider the annual financial report, directors' report and the auditors' report for the Company for the financial year ended 2013.

Resolution 1: Remuneration Report

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

'THAT the Remuneration Report for the year ended 30 June 2013 be adopted.'

Short explanation

Please refer to section 1 of the Explanatory Memorandum for further information.

Voting exclusion

The Company will disregard any votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting exclusions' section of the Notes to this Notice.

Resolution 2: Spill Resolution

(Contingent item)

If (and only if) at least 25% of the votes cast on Resolution 1 (Remuneration Report) are against the adoption of the Remuneration Report, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'THAT, as required by the Corporations Act 2001 (Cth):

- (a) an extraordinary general meeting of the Company (**Spill Meeting**) be held within 90 days after the passing of this resolution;*
- (b) all of the Directors of the Company in office at the time when the resolution to make the Directors' Report for the financial year ended 30 June 2013 was passed cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.'*

Without limiting the manner in which the voting on the other resolutions may be conducted, if this resolution is put to the meeting, voting on it will be conducted by way of poll.

Short explanation

Please refer to section 2 of the Explanatory Memorandum for further information.

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Voting exclusion

The Company will disregard any votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting exclusions' section of the Notes to this Notice.

Resolution 3: Ratification of Shares Issued

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

'THAT, in accordance with the requirements of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the prior allotment and issue of 64,225,752 Placement Shares as described in the Explanatory Memorandum, other than such shares (if any) issued to related parties (as defined by the ASX Listing Rules) for which prior shareholder approval under ASX Listing Rule 10.11 was not obtained.'

Short explanation

The Placement Shares described above were issued to existing and new institutional and sophisticated investors on 1 May 2013, 5 June 2013, 19 August 2013 and 5 September 2013, (the **Placements**). Shareholder ratification of the issue of the Placement Shares is sought under ASX Listing Rule 7.4 so that the Placement Shares do not need to be counted towards the annual 15% limit on new equity issues by the Company contained in ASX Listing Rule 7.1.

Please refer to Section 3 of the Explanatory Memorandum for further information.

Voting exclusion

The Company will disregard any votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting exclusions' section of the Notes to this Notice.

Resolution 4: Approval of 10% Placement Facility under Listing Rule 7.1A

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

'THAT, approval be given to the issue and allotment by the Company, on one or more occasions, of up to that number of equity securities that is cumulatively equal to 10% of the issued capital of the Company calculated in accordance with the formula set out in ASX Listing Rule 7.1A.2, at a price determined in accordance with the requirements of ASX Listing Rule 7.1A.3, and otherwise on the terms and conditions described in the Explanatory Memorandum which accompany and form part of this Notice of Meeting, and that such approval be given for the purpose of ASX Listing Rule 7.1A and for all other purposes.'

Short explanation

Please refer to section 4 of the Explanatory Memorandum for further information.

Voting exclusion

The Company will disregard any votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting exclusions' section of the Notes to this Notice.

Resolution 5: Appointment of Auditor

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

'THAT, subject to:

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- (a) *the Company receiving a written notice nominating an auditor from a member of the Company on or before 8 November 2013 pursuant to section 328B(1) of the Corporations Act 2001 (Cth) (**Nominated Auditor**); and*
- (b) *the Nominated Auditor having consented to its appointment pursuant to section 328A of the Corporations Act 2001 (Cth),*
the Nominated Auditor be appointed as auditor to the Company.'

Short explanation

Please refer to section 5 of the Explanatory Memorandum for further information.

Re-election and Removal of Directors

Resolution 6: Election of Director – Jeremy Read

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

'THAT, Jeremy Read, who retires by rotation in accordance with the Company's constitution and the ASX Listing Rules and being eligible offers himself for election as a Director of the Company, be elected as a Director of the Company.'

Short explanation

Please refer to section 6 of the Explanatory Memorandum for further information.

Resolution 7: Election of Director – Siew Mun Wai

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

'THAT, Siew Mun Wai, who retires by rotation in accordance with the Company's constitution and the ASX Listing Rules and being eligible offers himself for election as a Director of the Company, be elected as a Director of the Company.'

Short explanation

Please refer to section 7 of the Explanatory Memorandum for further information.

Resolution 8: Removal of Director – Jeremy Read

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

'THAT, Jeremy Read be, and is by this resolution, removed from office as a director of Avalon Minerals Limited, effective immediately.'

Short explanation

Please refer to section 8 of the Explanatory Memorandum for further information.

Resolution 9: Removal of Director – Paul Niardone

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

'THAT, Paul Niardone be, and is by this resolution, removed from office as a director of Avalon Minerals Limited, effective immediately.'

Short explanation

Please refer to section 9 of the Explanatory Memorandum for further information.

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Resolution 10: Removal of Director – Dato Siew Mun Chuang

(Contingent item)

If (and only if) the below resolution is moved at the Annual General Meeting by a shareholder that has given the Company a notice of intention to move the resolution in compliance with section 203D of the *Corporations Act 2001* (Cth), to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'THAT, Dato Siew Mun Chuang ('Phillip Siew') be, and is by this resolution, removed from office as a director and deputy chairman of Avalon Minerals Limited, effective immediately.'

Short explanation

Please refer to section 10 of the Explanatory Memorandum for further information.

Resolution 11: Removal of Director – Siew Mun Wai

(Contingent item)

If (and only if) the below resolution is moved at the Annual General Meeting by a shareholder that has given the Company a notice of intention to move the resolution in compliance with section 203D of the *Corporations Act 2001* (Cth), to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'THAT, Siew Mun Wai ('Edward Siew') be, and is by this resolution, removed from office as a director and deputy chairman of Avalon Minerals Limited, effective immediately.'

Short explanation

Please refer to section 11 of the Explanatory Memorandum for further information.

Resolution 12: Removal of Director – Seng Han Goh

(Contingent item)

If (and only if) the below resolution is moved at the Annual General Meeting by a shareholder that has given the Company a notice of intention to move the resolution in compliance with section 203D of the *Corporations Act 2001* (Cth), to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'THAT, Seng Han Goh ('Gary Goh') be, and is by this resolution, removed from office as a director and deputy chairman of Avalon Minerals Limited, effective immediately.'

Short explanation

Please refer to section 12 of the Explanatory Memorandum for further information.

Resolution 13: Election of Director – Crispin Henderson

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

'THAT, Crispin Henderson who, having been appointed by the Board as a Director since the last General Meeting, retires in accordance with the Company's constitution and ASX Listing Rules and being eligible offers himself for election as a Director of the Company, be elected as a Director of the Company.'

Short explanation

Please refer to section 13 of the Explanatory Memorandum for further information.

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Resolution 14: Removal of Director – Crispin Henderson

(Contingent item)

If (and only if) the below resolution is moved at the Annual General Meeting by a shareholder that has given the Company a notice of intention to move the resolution in compliance with section 203D of the *Corporations Act 2001* (Cth), to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'THAT, Crispin Henderson be, and is by this resolution, removed from office as a director and chairman of Avalon Minerals Limited, effective immediately.'

Short explanation

Please refer to section 14 of the Explanatory Memorandum for further information.

The attached Explanatory Memorandum is incorporated into and forms part of this Notice. Detailed explanations of the background and reasons for the proposed resolutions are set out in the Explanatory Memorandum.

By order of the Board of Directors



Roslynn Shand
Company Secretary

31 October 2013

Dated

Notes

Eligibility to vote

Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) permits the Company to specify a time, not more than 48 hours before a general meeting, at which a 'snap-shot' of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the Meeting.

The Board has determined that the registered holders of fully paid ordinary shares at 6.00 pm (Brisbane time) on Wednesday, 27 November 2013 will be taken to be holders of ordinary shares for the purposes of the Meeting and accordingly, will be entitled to attend and vote at the Meeting.

Voting by proxy

An eligible shareholder can vote in person at the Meeting or appoint a proxy or, where a shareholder is entitled to two or more votes, two proxies. Where two proxies are appointed, a shareholder may specify the number or proportion of votes to be exercised by each proxy appointed. If no number or proportion of votes is specified, each proxy appointed will be taken to exercise half of that shareholder's votes (disregarding fractions).

An appointed proxy need not themselves be a shareholder.

To be valid, the appointment of a proxy (made using a properly completed and executed Proxy Form) must be received by the Company no later than 2.00 pm (Brisbane time) on Wednesday, 27 November 2013.

Proxy Forms can be submitted by the below methods

- **Online** by visiting www.investorvote.com.au and entering the 6 digit control number found on the front of your proxy form. Intermediary Online subscribers (Custodians) may lodge proxy instructions at www.intermediaryonline.com;
- **By Mail** to Computershare Investor Services, GPO Box 242, Melbourne Victoria 3001; and
- **By Facsimile** 1800 783 447 (Within Australia) or +61 3 9473 2555 (Outside Australia).

Instructions on how to complete the Proxy Form are on the reverse of the Proxy Form attached to this Notice.

If a Proxy Form is signed by an attorney, a shareholder must also send in the original or a certified copy of the power of attorney or other authority under which the Proxy Form is signed.

Undirected proxies

The Chair of the Meeting intends to vote all undirected proxy votes as follows:

- in favour of resolutions 1, 3, 4 and 5;
- against resolution 2; and
- in relation to resolutions 6, 7, 8, 9, 10, 11, 12, 13 and 14, in the same way as the simple majority (ie more than 50%) of directed proxy votes received by 2.00 pm (Brisbane time) on 27 November 2013 (the closing time for lodgement of proxies) are to be cast, either for or against each resolution (disregarding any abstentions).

Voting by corporate representative

A shareholder or proxy which is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative to vote at the Meeting. The appointment must comply

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with section 250D of the *Corporations Act 2001* (Cth) (the **Corporations Act**). The representative should bring to the Meeting evidence of his or her appointment unless it has previously been provided to the Company.

Voting by attorney

A shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the shareholder's behalf. An attorney need not themselves be a shareholder.

The power of attorney appointing the attorney must be signed and specify the name of each of the shareholder, the Company and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

To be effective, the power of attorney must also be returned in the same manner, and by the same time, as specified for Proxy Forms.

Voting exclusions

The Corporations Act and the ASX Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by certain persons, on some of the resolutions to be considered at the Meeting.

The relevant voting exclusions are described below:

Resolution No	Resolution Description	Who is excluded from voting on the resolution?		
		As a shareholder?	As holder of a directed proxy?	As holder of an undirected proxy?
1	Adoption of the Remuneration Report	KMP named in the Remuneration Report and their CRP.	Proxy holder for KMP named in the Remuneration Report or their CRP.	Proxy holder for KMP named in the Remuneration Report or their CRP. Proxy holder who is a KMP or a CRP (subject to Note 1 below) .
2	Spill Resolution	KMP named in the Remuneration Report and their CRP.	Proxy holder for KMP named in the Remuneration Report or their CRP.	Proxy holder for KMP named in the Remuneration Report or their CRP. Proxy holder who is a KMP or a CRP (subject to Note 1 below) .
3	Ratification of shares issued	Shareholders who participated in the Placements and their associates.	Proxy holder for any shareholder who participated in the Placements and their associates.	Proxy holder for any shareholder who participated in the Placements and their associates.

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Resolution No	Resolution Description	Who is excluded from voting on the resolution?		
		As a shareholder?	As holder of a directed proxy?	As holder of an undirected proxy?
4	Approval of 10% Placement Facility under Listing Rule 7.1A	A person who may participate in the 10% Placement Facility, a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and an associate of any person described above.	Proxy holder for a person who may participate in the 10% Placement Facility, a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and an associate of any person described above.	Proxy holder for a person who may participate in the 10% Placement Facility, a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and an associate of any person described above.
5	Appointment of Auditor	No exclusions.	No exclusions.	No exclusions.
6	Election of Director – Jeremy Read	No exclusions.	No exclusions.	No exclusions.
7	Election of Director – Siew Mun Wai	No exclusions.	No exclusions.	No exclusions.
8	Removal of Director – Jeremy Read	No exclusions.	No exclusions.	No exclusions.
9	Removal of Director – Paul Niardone	No exclusions.	No exclusions.	No exclusions.
10	Removal of Director – Dato Siew Mun Chuang	No exclusions.	No exclusions.	No exclusions.
11	Removal of Director – Siew Mun Wai	No exclusions.	No exclusions.	No exclusions.
12	Removal of Director – Seng Han Goh	No exclusions.	No exclusions.	No exclusions.
13	Election of Director – Crispin Henderson	No exclusions.	No exclusions.	No exclusions.
14	Removal of Director – Crispin Henderson	No exclusions.	No exclusions.	No exclusions.

Note 1: The Chair of the Meeting will be entitled to vote an undirected proxy if the proxy appointment expressly authorises the Chair of the Meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

For the purposes of these voting exclusions:

- **key management personnel** (or **KMP**) are those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. It includes all Directors (Executive and Non-Executive). The KMPs during the year ended 2013 are listed in the Remuneration Report contained in the Directors' Report.

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- A ***closely related party*** (or **CRP**) of a KMP means:
 - a spouse or child of the KMP;
 - a child of the KMP's spouse;
 - a dependant of the KMP or of the KMP's spouse;
 - anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company; or
 - a company the KMP controls.

Resolutions

All items of business involving a vote by shareholders other than Resolution 4 require ordinary resolutions, which means that, to be passed, the item needs the approval of a simple majority of the votes cast by shareholders entitled to vote on the resolution.

Resolution 4 requires a special resolution, which means that, to be passed, the item needs the approval of at least 75% of the votes cast by shareholders entitled to vote on the resolution.

Explanatory Memorandum

This Explanatory Memorandum (and Annexure) forms part of the notice convening the Annual General Meeting of Avalon Minerals Ltd to be held at Endeavour 1 Room, Level 1, Christie Conference Centre, 320 Adelaide Street (Corner of Wharf and Adelaide Street), Brisbane, Australia, at 2.00 pm (Brisbane time) on Friday, 29 November 2013.

Financial statements and reports

As required by section 317 of the Corporations Act, the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year (namely the period ended 30 June 2013) will be laid before the Meeting. Shareholders will be provided with the opportunity to ask questions about the reports.

There is no requirement for a shareholder resolution on this item. Accordingly, there will be no resolution put to the Meeting.

Resolution 1: Remuneration Report

The Remuneration Report is required to be considered by Shareholders in accordance with section 250R of the Corporations Act.

The Remuneration Report for the year ended 30 June 2013 contains:

- the remuneration policy for the Company;
- an overview of the link between remuneration and corporate performance; and
- a report on the remuneration arrangements in place for the Non-executive Directors, the CEO and certain members of senior management.

The Remuneration Report, contained in the 2013 Annual Report, is available on the Company's website at www.avalonminerals.com.au.

Shareholders will have an opportunity to ask questions and make comments about the Remuneration Report at the Meeting. Ordinary shareholders will be asked to vote on a resolution to adopt the Remuneration Report. Under the Corporations Act and subject to the below comments, the vote on the resolution is advisory only and does not bind the Board or the Company.

Response to shareholder comments

As a result of the comments made, and voting results, in relation to the Remuneration Report at last year's AGM, a sample of the Company's larger shareholders were contacted to better understand the concerns that led to last year's 'first strike' and ensure the Board's objectives were well communicated.

The Board identified that the vote against the 2012 Remuneration Report largely resulted from one shareholder who has a blanket corporate policy to vote against any performance rights plans. Due to the size of the Company's operation and its dependence on equity placement for funding, performance rights and option plans enable the company to reward its Directors and Employees without utilising cash rewards. Performance rights and option plans are also designed to align the goals of the Company to the remuneration of Company's Directors and employees and are therefore considered by the Directors to be appropriate remuneration policy for the Company, particularly for a company in the exploration phase of development such as the Company. It should also be noted that the options and performance rights had been issued and therefore the Company had no ability to rescind these arrangements even if it had elected to do so.

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Since last year's Annual General Meeting, no new options or performance rights have been issued to Directors or employees. Furthermore the remuneration committee met and benchmarked the salaries of all staff compared to industry standards and concluded that appropriate remuneration policies were in place for the Company.

The Board remains confident that the Company's remuneration policy and the level and structure of its executive remuneration are suitable for the Company and its shareholders.

Please refer to the Remuneration Report, contained in the Annual Report, for more information regarding this matter.

Directors' recommendation: *Noting that each Director has a personal interest in their own remuneration from the Company (as described in the Remuneration Report) and, that each Director (or any closely related party of a Director) is excluded from voting their shares on the resolution (as described in the 'Voting exclusions' section of the Notes to the Notice), the Directors unanimously recommend that shareholders vote in favour of the adoption of the Remuneration Report.*

Resolution 2: Spill Meeting

(Contingent Item)

The Corporations Act now includes a 'two-strike' rule in relation to Remuneration Reports. The two-strike rule provides that if at least 25% of the votes cast on the resolution to adopt the Remuneration Report at two consecutive AGMs are against adopting the Remuneration Report, shareholders will have the opportunity to vote on a Spill Resolution (described below) at the second AGM.

At last year's AGM, at least 25% of the votes cast on the resolution to adopt the Remuneration Report were against adopting the report (the first strike).

Accordingly, if at least 25% of the votes cast on Resolution 1 are against adopting the Remuneration Report at the 2013 AGM, this will constitute a 'second-strike' and Resolution 2 will be put to the meeting and voted on as required by s250V of the Corporations Act (the **Spill Resolution**).

If less than 25% of the votes cast on Resolution 1 are against adopting the Remuneration Report at the 2013 AGM, then there will be no second-strike and Resolution 2 will not be put to the meeting.

If the Spill Resolution is put to the meeting, it will be considered as an ordinary resolution, which means that, to be passed, the item requires the approval of a simple majority of the votes cast by or on behalf of shareholders entitled to vote on the resolution.

If the Spill Resolution is passed, a further general meeting (**Spill Meeting**) must be held within 90 days after the 2013 AGM and, immediately before the end of the Spill Meeting, each of:

- Jeremy Read;
- Paul Niardone;
- Siew Mun Wai;
- Seng Han Gary Goh;
- Dato Mun Chuang Siew; and
- Crispin Henderson,

being the Directors who were in office when the Board approved the last Directors' report (the **Relevant Directors**), will cease to hold office, if then still in office.

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The Spill Meeting would consider the election or re-election of Directors, and each of the Relevant Directors would be eligible to seek re-election.

It is proposed that any vote would be conducted by a poll. Such a process results in each shareholder having one vote for each share held and in respect of which a vote is cast (subject to the voting exclusions).

Directors' recommendation: *Noting that each Relevant Director would have a personal interest in any such resolution, and that each of them (and their closely related parties) would be excluded from voting on the resolution, the Directors unanimously recommend that shareholders vote against Resolution 2. The Directors note that Resolutions 6-14 of this Notice of Meeting in effect provide for a spill of the Board and in the circumstances the Directors recommend that shareholders vote against this Resolution, since a further Spill Meeting would be extremely disruptive to the Company.*

Resolution 3: Ratification of shares issued

Background

During the previous 12 months, the Company has issued a total of 150,225,752 fully paid ordinary shares to existing and new institutional and sophisticated investors, pursuant to various placements. Of this amount, 70,000,000 shares were previously approved by shareholders for issue at the Company's 27 March 2013 general meeting.

Details of the shares issued without shareholder approval (**Placement Shares**) as a result of the placements (**Placements**) are set out in the below table:

Placements Issued During the 12 Months prior to 29 November 2013				
Date Announced to ASX	Placees	Issue Price	Number of equity securities issued without shareholder approval	Total Raised
1 May 2013	<ul style="list-style-type: none"> • Fionnuala Catherine Edmondson • National Nominees Limited • Citicorp Nominees Pty Limited • JP Morgan Nominees Australia Limited 	\$0.05	5,075,000	\$253,750.00
5 June 2013	<ul style="list-style-type: none"> • Lim Heng Suan • National Nominees Limited • Citicorp Nominees Pty Limited • JP Morgan Nominees Australia Limited 	\$0.015	6,103,496	\$91,552.44
19 August 2013	<ul style="list-style-type: none"> • Lim Heng Suan 	\$0.013	26,523,616	\$344,807.01
5 September 2013	<ul style="list-style-type: none"> • JP Morgan Nominees Australia Limited • Pershing Australia Nominees Pty Ltd <Indian Ocean A/c> 	\$0.013	26,523,640	\$344,807.32

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Placements Issued During the 12 Months prior to 29 November 2013				
Date Announced to ASX	Placees	Issue Price	Number of equity securities issued without shareholder approval	Total Raised
		Total	64,225,752	\$1,034,916.77

Note 1: This table excludes 70,000,000 shares for which prior approval was obtained pursuant to ASX Listing Rule 7.1 on 27 March 2013.

Note 2: To the extent this table includes shares issued to related parties (as defined in the ASX Listing Rules), for which prior shareholder approval under ASX Listing Rule 10.11 was not obtained, such shares (if any) will not be ratified per this resolution.

Regulatory Requirements

Under ASX Listing Rule 7.1, a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period, equity securities or other securities which are convertible into equity securities (such as options or rights), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

An issue of equity securities which is made with the approval of shareholders is not counted towards the 15% limit in ASX Listing Rule 7.1. Under ASX Listing Rule 7.4, an issue of equity securities can be treated as having been made with shareholder approval for the purposes of ASX Listing Rule 7.1 if it is subsequently ratified by shareholders and provided it did not, when made, breach ASX Listing Rule 7.1.

The Company wishes to obtain shareholder approval of the Placement under ASX Listing Rule 7.4 so that the Placement is not counted towards the Company's 15% limit under ASX Listing Rule 7.1.

As required by ASX Listing Rule 7.5, the following information is provided to shareholders regarding the Placement:

- (a) On 1 May 2013, 5 June 2013, 19 August 2013 and 5 September 2013 the Company issued a total of 64,225,752 Placement Shares under the Placement to existing and new institutional and sophisticated investors.
- (b) The Placement Shares were respectively issued at a price of \$0.05, \$0.015, \$0.013 and \$0.013 per share.
- (c) The Placement Shares are quoted on the ASX and rank equally with the Company's other issued ordinary shares.
- (d) The money raised from the issue of the Placement Shares has been or will be used to:
 - (i) fund preparatory work required for the bankable feasibility study on the Company's Viscaria Copper-Iron Project in Sweden;
 - (ii) investigate and advance business development opportunities for the Company, with the goal of creating value for shareholders;
 - (iii) provide funds towards the acquisition of tenements; and
 - (iv) fund working capital.

Directors' recommendation: The Directors recommend that shareholders vote in favour of Resolution 3, as this will give the Company greater flexibility to issue equity securities, or other

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securities which are convertible into equity securities (such as options or rights) without shareholder approval in the future, if that is thought desirable.

Resolution 4: Approval of 10% Placement Facility under Listing Rule 7.1A

Background

Approval under Resolution 4 is sought to enable the Company to issue ordinary shares under Listing Rule 7.1A. ASX introduced Listing Rule 7.1A to provide small to medium-sized companies with greater flexibility to raise capital.

Under Listing Rule 7.1A, eligible entities may issue equity securities (eg shares) up to 10% of their issued capital through placements over a period of up to 12 months after the Annual General Meeting without further shareholder approval (**10% Placement Facility**). This 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1, but is available to eligible entities only where shareholders have approved the 10% Placement Facility by special resolution at the Annual General Meeting. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution.

An 'eligible entity' is an entity which is not included in the S&P/ASX 300, and which has a market capitalisation less than or equal to the amount prescribed by ASX (currently \$300 million). As at the date of the Notice of Meeting, the Company is an 'eligible entity' and is therefore able to seek approval under Listing Rule 7.1A. If at the time of the Annual General Meeting the Company is no longer an eligible entity, Resolution 4 will be withdrawn.

The maximum number of shares which may be issued in the capital of the Company under the 10% Placement Facility is calculated in accordance with the following formula prescribed in Listing Rule 7.1A.2:

$$(A \times D) - E$$

where:

A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement to issue:

- (i) plus the number of fully paid ordinary securities issued in the 12 months under the exception in Listing Rule 7.2;
- (ii) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (iii) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or 7.4,
- (iv) less the number of fully paid ordinary securities cancelled in the 12 months.

D is 10%.

E is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rule 7.1 or 7.4.

- (a) As at the date of this Notice of Meeting, the Company has on issue one class of equity securities, that is 827,367,911 ordinary shares. At the conclusion of the Rights Issue, the Company (subject to the below assumptions), will have at least 1,044,567,911 shares on issue, meaning if Resolution 4 is approved, the Company would have the capacity to issue

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(b) 104,456,791 ordinary shares under Listing Rule 7.1A.

The actual number of shares that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the shares in accordance with the formula above.

Minimum issue price

The issue price of equity securities issued under Listing Rule 7.1A must not be less than 75% of the volume weighted average price of equity securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the issue price of the equity securities is agreed; or
- (b) if the equity securities are not issued within 5 trading days of the date in paragraph (a) above, the date on which the equity securities are issued.

Risk of economic and voting dilution

If shareholders approve the 10% Placement Facility and the Company issues shares under the 10% Placement Facility, the existing shareholders' voting power in the Company will be diluted.

There is a risk that:

- (a) the market price for the Company's shares may be significantly lower on the date of the issue of the shares than on the date of the approval under Listing Rule 7.1A is given; and
- (b) the shares may be issued at a price that is at a discount to the market price for the Company's shares on the issue date,

which may have an effect on the amount of funds raised by the issue of shares.

The table below describes the potential dilution of existing ordinary shareholders on the basis of (1) three different assumed issue prices and (2) three different assumed numbers of ordinary shares on issue (ie the variable 'A' in the formula above).

Number of issued shares (Variable 'A')		Dilution		
		\$0.005 50% decrease in Current Market Price	\$0.01 Current market price	\$0.02 100% increase in Current Market Price
Current number of issued shares 1,044,567,911	10% dilution	104,456,791 shares	104,456,791 shares	104,456,791 shares
	Funds raised	\$522,283.96	\$1,044,567.91	\$2,089,135.82
50% increase to current number of issued shares 1,566,851,867	10% dilution	156,685,187 shares	156,685,187 shares	156,685,187 shares
	Funds raised	\$783,425.93	\$1,566,851.87	\$3,133,703.73
100% increase to current number of issued shares 2,089,135,822	10% dilution	208,913,582 shares	208,913,582 shares	208,913,582 shares
	Funds raised	\$1,044,567.91	\$2,089,135.82	\$4,178,271.64

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This table has been prepared on the basis of the following assumptions:

- (a) The Company issues the maximum number of shares available under the 10% Placement Facility.
- (b) No options are exercised into shares before the date of the issue of the shares under the 10% Placement Facility.
- (c) The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Facility based on that shareholder's holding at the date of the Annual General Meeting.
- (d) The table shows only the effect of issues of shares under Listing Rule 7.1A, not under Listing Rule 7.1.
- (e) The current market price is \$0.01, being the closing price of the Shares on ASX on 30 October 2013.
- (f) The Company has 1,044,567,911 ordinary shares, comprised of:
 - (i) 835,006,911 ordinary shares issued or to be issued in accordance with the non-renounceable pro-rata rights issue (***Rights Issue***) announced by the Company on 9 August 2013 and pursuant to the Takeovers Panel orders in connection with the Rights Issue; and
 - (ii) 210,000,000 ordinary shares underwritten pursuant to the Underwriting Agreement in connection with the Rights Issue (which the Company notes may be terminated prior to the conclusion of the Rights Issue on 11 November 2013, meaning that these shares may not be issued).
- (g) There are 159,036,975 non-underwritten ordinary shares that may be issued pursuant to the Rights Issue and since the uptake of these shares is not guaranteed, they have not been included for the purposes of the above calculations. If all the shares in the Rights Issue are taken up, the total shares on issue would be 1,203,604,886.

Date by which shares may be issued

If Resolution 4 is approved, the Company may issue ordinary shares under the 10% Placement Facility at any time (either on a single date or progressively) up until the earlier of:

- (h) the date which is 12 months after the date of the Annual General Meeting (namely 29 November 2014); or
- (i) the date on which shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

Approval under Listing Rule 7.1A will cease to be valid if shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

Purposes for which the shares may be issued

As at the date of this Notice of Meeting, the Company has not formed an intention to offer any shares under the 10% Placement Facility to any particular person or at any particular time. The total amount that may be raised by the issue of shares under the 10% Placement Facility will depend on the issue price of the ordinary shares which will be determined at the time of issue. The Company may seek to issue shares under the 10% Placement Facility for purposes including the following:

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- (i) non-cash consideration for the acquisition of new assets or resources, in which case the Company will release to the market a valuation of the assets prior to issuing the shares as required by Listing Rule 7.1A.3;
- (ii) cash consideration for the an acquisition of new assets or resources (including expenses associated with such acquisition);
- (iii) raising funds to be applied to the Company's working capital requirements; and
- (iv) paying suppliers or consultants of the Company.

Details regarding the purposes for which any particular issue under the 10% Placement Facility is made will be more fully detailed in an announcement to the ASX made pursuant to Listing Rule 7.1A.4 and Listing Rule 3.10.5A at the time of the issue.

Company's allocation policy for issues under the 10% Placement Facility

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the facility. The identity of the allottees of shares under the 10% Placement Facility will be determined on a case-by-case basis having regard to the factors including:

- (i) the methods of raising funds that are available to the Company, including rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the shares on control of the Company
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisors if available.

The allocation policy that the Company may adopt for a particular issue of shares under the 10% Placement Facility and the terms on which those ordinary shares may be offered will depend upon the circumstances existing at the time of the proposed capital raising under the 10% Placement Facility. Subject to the requirements of the ASX Listing Rules and the Corporations Act, the Directors reserve the right to determine, at the time of any issue of shares under the 10% Placement Facility, the allocation policy the Company will adopt for that issue.

Previous approval obtained under ASX Listing Rule 7.1A

The Company has not previously obtained the approval of shareholders for the issue of shares under Listing Rule 7.1A.

Directors' recommendation: *The Directors recommend that shareholders vote in favour of the 10% Placement Facility under Listing Rule 7.1A.*

Resolution 5: Appointment of Auditor

On 22 October 2013, the Company received a notice of resignation from KMPG to act as the Company's auditor.

As at the date of this Notice of Meeting, the Company has not received a written notice of nomination for a new auditor pursuant to section 238B(1) of the *Corporations Act 2001* (Cth) (**Notice**).

This Resolution 5 is subject to:

- (a) the Company receiving a Notice not less than 21 days before the Annual General Meeting (ie 8 November 2013); and

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- (b) the auditor nominated in the Notice consenting to its appointment pursuant to section 238A(1) of the *Corporations Act 2001* Cth).

In the event the Company receives a Notice, it will send a copy of that notice pursuant to section 238B(3)(a) to each shareholder that has received a copy of this Notice of Meeting not less than 7 days before the Annual General Meeting.

If this resolution is passed subject to the above conditions, the appointment of incoming auditor will take effect at the close of the Meeting.

Directors' recommendation: *Subject to the noted conditions, the Directors recommend that shareholders vote in favour of Resolution 5.*

Resolution 6: Election of Director – Jeremy Read

This resolution is required pursuant to the ASX Listing Rules and rule 13.2 of the Company's Constitution. The ASX Listing Rules require the Company to hold an election of Directors each year. The Company's constitution also requires one third of the Directors (rounded up to the nearest whole number) to retire from office at each Annual General Meeting of the Company.

In accordance with the ASX Listing Rules and rule 13.2 of the Company's constitution, Jeremy Read retires from office and offers himself for election.

Please refer to page 21 for Jeremy's background.

Voting Instructions

- To RETAIN Jeremy Read on the Board, vote FOR this resolution.
- To REMOVE Jeremy Read from the Board, vote AGAINST this resolution.

Resolution 7: Election of Director – Siew Mun Wai

This resolution is required pursuant to the ASX Listing Rules and rule 13.2 of the Company's Constitution. The ASX Listing Rules require the Company to hold an election of Directors each year. The Company's constitution also requires one third of the Directors (rounded up to the nearest whole number) to retire from office at each Annual General Meeting of the Company.

In accordance with the ASX Listing Rules and rule 13.2 of the Company's constitution, Siew Mun Wai (Edward) retires from office and offers himself for election.

Please refer to page 22 for Siew Mun Wai's background.

Voting Instructions

- To RETAIN Siew Mun Wai on the Board, vote FOR this resolution.
- To REMOVE Siew Mun Wai from the Board, vote AGAINST this resolution.

Resolution 8: Removal of Director – Jeremy Read

The resolution to remove Jeremy Read from his office is included as a result of the Board resolving by majority to have it included.

The Company may, by ordinary resolution of its shareholders pursuant to rule 13.5 of the Company's Constitution, remove a director from office before the end of the director's period of office, despite anything in the Constitution, any agreement between it and the director or any agreement between any or all shareholders of the company and the director.

Termination of Employment

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On 12 October 2013, the Company announced that the Board resolved to terminate the employment contract of Jeremy, who was the Company's former Managing Director. Pursuant to section 203E of the *Corporations Act 2001* (Cth), the Company's Directors are unable to remove Jeremy from his office as a Director of the Company and as at the date of this Notice, Jeremy has not submitted a notice of resignation to the Company.

Please refer to page 21 for Jeremy's background.

Voting Instructions

- To RETAIN Jeremy Read on the Board, vote AGAINST this resolution.
- To REMOVE Jeremy Read from the Board, vote FOR this resolution.

Resolution 9: Removal of Director – Paul Niardone

The resolution to remove Paul Niardone from his office is included as a result of the Board resolving by majority to have it included.

The Company may, by ordinary resolution of its shareholders pursuant to rule 13.5 of the Company's Constitution, remove a director from office before the end of the director's period of office, despite anything in the Constitution, any agreement between it and the director or any agreement between any or all shareholders of the company and the director.

Please refer to page 22 for Paul's background.

Voting Instructions

- To RETAIN Paul Niardone on the Board, vote AGAINST this resolution.
- To REMOVE Paul Niardone from the Board, vote FOR this resolution.

Resolution 10: Removal of Director – Dato Siew Mun Chuang

(Contingent item)

On 24 October 2013, the Company received a notice of intention to move the resolutions pursuant to section 203D of the *Corporations Act 2001* (Cth) from a number of shareholders who collectively hold more than 5% of the votes that may be cast at a general meeting of the Company.

As such, this resolution to remove Dato Siew Mun Chuang (Philip) from his offices is a contingent item and will only be called if it is moved at the Annual General Meeting by a shareholder that has given the Company a notice of intention to move the resolution in compliance with section 203D of the *Corporations Act 2001* (Cth).

If this resolution is not moved at the Annual General Meeting, it will not be called and shareholders will not be required to vote on it.

Please refer to page 21 for Philip's background.

Voting Instructions

- To RETAIN Dato Siew Mun Chuang on the Board, vote AGAINST this resolution.
- To REMOVE Dato Siew Mun Chuang from the Board, vote FOR this resolution.

Resolution 11: Removal of Director – Siew Mun Wai

(Contingent item)

On 24 October 2013, the Company received a notice of intention to move the resolutions pursuant to section 203D of the *Corporations Act 2001* (Cth) from a number of shareholders who

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collectively hold more than 5% of the votes that may be cast at a general meeting of the Company.

As such, this resolution to remove Siew Mun Wai (Edward) from his office is a contingent item and will only be called if it is moved at the Annual General Meeting by a shareholder that has given the Company a notice of intention to move the resolution in compliance with section 203D of the *Corporations Act 2001* (Cth).

If this resolution is not moved at the Annual General Meeting, it will not be called and shareholders will not be required to vote on it.

Please refer to page 22 for Edward's background.

Voting Instructions

- To RETAIN Siew Mun Wai on the Board, vote AGAINST this resolution.
- To REMOVE Siew Mun Wai from the Board, vote FOR this resolution.

Resolution 12: Removal of Director – Seng Han Goh

(Contingent item)

On 24 October 2013, the Company received a notice of intention to move the resolutions pursuant to section 203D of the *Corporations Act 2001* (Cth) from a number of shareholders who collectively hold more than 5% of the votes that may be cast at a general meeting of the Company.

As such, this resolution to remove Seng Han Goh (Gary) from his office is a contingent item and will only be called if it is moved at the Annual General Meeting by a shareholder that has given the Company a notice of intention to move the resolution in compliance with section 203D of the *Corporations Act 2001* (Cth).

If this resolution is not moved at the Annual General Meeting, it will not be called and shareholders will not be required to vote on it.

Please refer to page 23 for Gary's background.

Voting Instructions

- To RETAIN Seng Han Goh on the Board, vote AGAINST this resolution.
- To REMOVE Seng Han Goh from the Board, vote FOR this resolution.

Resolution 13: Election of Director – Crispin Henderson

The ASX Listing Rules and the Company's Constitution require that a Director appointed by the other Directors retire from office at the following Annual General Meeting of the Company.

In accordance with the ASX Listing Rules and rule 13.4 of the Company's constitution, Crispin Henderson retires from office and offers himself for election.

Appointment

On 25 March 2013, Crispin was appointed by the other Directors as an addition to the Board in accordance with rule 13.4 of the Company's Constitution. The ASX Listing Rules and the Company's Constitution require that a Director appointed by the other Directors retire from office at the following Annual General Meeting of the Company.

Please refer to page 21 for Crispin's background.

Voting Instructions

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- To RETAIN Crispin Henderson on the Board, vote FOR this resolution.
- To REMOVE Crispin Henderson from the Board, vote AGAINST this resolution.

Resolution 14: Election of Director – Crispin Henderson

(Contingent item)

On 24 October 2013, the Company received a notice of intention to move the resolutions pursuant to section 203D of the *Corporations Act 2001* (Cth) from a number of shareholders who collectively hold more than 5% of the votes that may be cast at a general meeting of the Company.

As such, this resolution to remove Crispin Henderson from his office is a contingent item and will only be called if it is moved at the Annual General Meeting by a shareholder that has given the Company a notice of intention to move the resolution in compliance with section 203D of the *Corporations Act 2001* (Cth).

If this resolution is not moved at the Annual General Meeting, it will not be called and shareholders will not be required to vote on it.

Please refer to page 21 for Crispin's background.

Voting Instructions

- To RETAIN Crispin Henderson on the Board, vote AGAINST this resolution.
- To REMOVE Crispin Henderson from the Board, vote FOR this resolution.

Director Profiles

Crispin Henderson

Non-Executive Chairman (appointed as Chairman 25 March 2013)

Crispin Henderson has more than 45 years experience in the financial services and fund management sectors, principally with PricewaterhouseCoopers (34 years) and Threadneedle Investments (since 2002). Mr Henderson is based in London and now works as a consultant to the financial services sector. Until May 2013, he held the position of Vice Chairman of Ameriprise Financial's Global Asset Management business. From 2007 to 2013, Mr Henderson was Chief Executive of Threadneedle which is owned by Ameriprise Financial, a leading US diversified, financial services company and one of the 40 largest asset management firms globally, with a market capitalisation of over US\$13bn and US\$708bn in assets under management and administration (as at 31 March 2013). Threadneedle is a leading international asset manager, actively managing around US\$127bn in equities, fixed income, property and commodities (as at 31 March 2013).

Dato Siew Mun Chuang

Deputy Chairman (appointed as Deputy Chairman 10 February 2012) and member of Audit Committee

Dato Siew Mun Chuang (Phillip) is the Executive Chairman of Beau Heritage Sdn Bhd, a market leader in the food and beverage industry; a Director of Ipmuda Bhd, a leading steel products manufacturer; Perwaja Holdings Bhd a leading steel producer; and Kinsteel Bhd a leading steel products manufacturer, all based in Malaysia and listed on the Malaysian Stock Exchange. Phillip had several years of audit experience with PriceWaterhouse early in his career, before venturing into other business interests. He was the former Managing Director and controlling shareholder of TT Resources Bhd, formerly listed on the Malaysian Stock Exchange.

Other directorships of listed companies in the past three years:

Current:

- Beau Heritage Sdn Bhd – since 2000
- Ipmuda Bhd – since 1997
- Perwaja Holdings Bhd – since 2008
- Kinsteel Bhd – since 2009

Former

- TT Resources Bhd – to 2000

Jeremy Read

Non-Executive Director (appointed 10 February 2012)

Jeremy Read has 25 years domestic and international minerals exploration and project development experience having worked in a wide variety of technical and management roles and on projects throughout Australia, Africa and India. He has extensive exploration experience for copper, nickel and lead-zinc sulphides. He was the founding Managing Director of two successful ASX listed companies, Discovery Metals and Meridian Minerals.

Other directorships of listed companies in the past three years:

Current:

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- Discovery Metals – since 2003
- Harmattan Gold Ltd – since 2011 (non-listed)
- Oresearch Ltd – since 2011 (non-listed)

Former:

- Meridian Minerals – to December 2011

Paul Niardone

Non-Executive Director (appointed as a non-executive Director 10 February 2012), Chairman of the Remuneration Committee and member of the Audit Committee

Mr Paul Niardone was the Executive Director and founder of Professional Public Relations (WA), the largest PR and communications firm in Western Australia. He was the founding Chairman of Bellevue Resources Limited and has experience in marketing, investor relations and strategic planning in both the Government and private sectors. He has been a member of the Australian Marketing Institute, the Institute of Management Consultants and the Institute of Company Directors. Currently Mr Niardone is the CEO of the Ausnet Group, a real estate and financial services group of companies with \$2 billion of property sales and \$1 billion loan book.

Other directorships of companies in the past three years:

Current:

- Murdoch Senate (non-listed)
- Oresearch Ltd (non-listed)
- Protean Energy (non-listed)
- Rehawk Developments (non-listed)

Former:

- Professional Public Relations (WA) – to May 2011
- Meridian Minerals Limited (listed) – 2007 to December 2011

Siew Mun Wai

Non-Executive Director (appointed as non-executive Director 10 February 2012), Chairman of the Audit Committee and member of the Remuneration Committee

Mr Siew Mun Wai (Edward) is a Fellow of the Institute of Chartered Accountants in England & Wales and also a Chartered member of the Malaysian Institute of Accountants. He had held C-level and board positions in FMCG Beauty & Cosmetics, Pharmaceuticals and Specialty Chemicals multinationals with over 3 decades of overseas working experience spanning 10 countries. Edward was most recently a Board member and CFO/COO of L'Oreal Australia and New Zealand.

Other directorships of companies in the past three years:

Former:

- L'Oreal Australia (non-listed) – to May 2012
- L'Oreal New Zealand (non-listed) – to May 2012

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Seng Han Gary Goh

Non-Executive Director (appointed as non-executive Director 10 February 2012) and member of the Remuneration Committee)

Seng Han Gary Goh is a mining engineer with over 18 years of mining experience and is currently working as the Mining Technical Services Manager for Norton Goldfields. Mr Goh has worked in management and operational roles for Alacer Gold, Rio Tinto, BHP Billiton, Barrick Gold and Western Metals.