



# **CATALYST METALS LIMITED**

ABN 54 118 912 495

## **NOTICE OF ANNUAL GENERAL MEETING**

### **EXPLANATORY MEMORANDUM**

### **PROXY FORM**

**Date and time of meeting**

16 November 2012 at 10.00 a.m.

**Place of meeting**

Celtic Club  
48 Ord Street  
West Perth, Western Australia

# CATALYST METALS LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that the annual general meeting of shareholders of Catalyst Metals Limited (Company) will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 16 November 2012 at 10.00 a.m.

### AGENDA

#### ORDINARY BUSINESS

##### Financial statements and reports

To receive and consider the annual financial report of the Company and the reports of the directors and auditors for the financial year ended 30 June 2012.

To consider and if thought fit to pass, with or without amendment, the following resolutions as ordinary resolutions.

##### 1. Re-election of Gary Schwab as a director

“That Mr Gary Schwab, being a director of the Company, retires by rotation in accordance with Clause 11.3 of the Constitution and being eligible for re-election, is hereby re-elected as a director of the Company.”

##### 2. Remuneration of non-executive directors

“That for the purposes of Clause 11.15 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, the maximum aggregate remuneration payable to non-executive directors be increased to \$400,000 per annum, to be payable in accordance with the terms and conditions set out in the explanatory memorandum.”

*The Company will disregard any votes cast on this resolution by a director of the Company and any of their associates.*

*A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 2 if the proxy is either a member of Key Management Personnel or a Closely Related Party of such a member; and the appointment does not specify the way the proxy is to vote on Resolution 22; unless the proxy is the Chairman of the meeting and the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.*

To consider and if thought fit to pass, with or without amendment, the following resolution as an ordinary, non-binding resolution.

##### 3. Remuneration report

“That for the purposes of Section 250R(2) of the Corporations Act, the Company adopts the Remuneration Report as contained in the annual financial report of the Company for the year ended 30 June 2012.”

*A vote on Resolution 3 must not be cast (in any capacity) by or on behalf of any of a member of Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.*

*However, a person described above may cast a vote on Resolution 3 if the vote is not cast on behalf of a person described above and either:*

- (a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or*

- (b) *the Chairman of the meeting is appointed as proxy and the proxy form expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel of the Company.*

## **SPECIAL BUSINESS**

The special business of the meeting is to consider and if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution.

### **4. Ratification of share and option issue**

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the placement made by the Company in June 2012 of 1,214,429 ordinary fully paid shares at an issue price of 42 cents each and 151,806 options over fully paid shares exercisable at 50 cents each on or before 15 January 2013, further details of which are set out in the explanatory memorandum accompanying the notice of meeting.”

*The Company will disregard any votes cast on this resolution by any shareholder who participated in the share and option placement and any of their associates.*

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

### **5. Proportional takeover bid provisions**

“That for the purposes of Sections 136(2) and 648G of the Corporations Act and for all other purposes, the Constitution of the Company be amended by re-inserting proportional takeover bid provisions, in the form set out in the explanatory memorandum accompanying the notice of meeting, for a period of three years commencing immediately.

By order of the Board

**Frank Campagna**  
Company Secretary

Perth, Western Australia  
5 October 2012

## **VOTING EXCLUSION NOTE**

Where a voting exclusion applies, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **PROXIES**

### ***Proxy appointments***

A member of the Company who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote for the member at the meeting. A proxy need not be a member of the Company.

A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the proxy instructions on that form.

### ***Voting entitlements***

In accordance with Regulation 7.11.37 of the Corporations Regulations, the directors have determined that the identity of those entitled to attend and vote at the meeting is to be taken as those persons who held shares in the Company as at 10.00 a.m. on 14 November 2012.

**CATALYST METALS LIMITED**  
**EXPLANATORY MEMORANDUM**

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This explanatory memorandum has been prepared for the information of shareholders of Catalyst Metals Limited in connection with the business to be considered at the forthcoming annual general meeting of shareholders of the Company and should be read in conjunction with the accompanying notice of meeting.

**ANNUAL FINANCIAL REPORT**

The financial report of the Company for the year ended 30 June 2012 (including the financial statements, directors' report and auditors' report) was included in the 2012 annual report of the Company, a copy of which is available on the Company's web-site at [www.catalystmetals.com.au](http://www.catalystmetals.com.au).

There is no requirement for shareholders to approve these reports. However, time will be allowed during the annual general meeting for consideration by shareholders of the financial statements and the associated directors' and auditors' reports.

**RESOLUTION 1 – RE-ELECTION OF GARY SCHWAB AS A DIRECTOR**

ASX Listing Rule 14.4 and Clause 11.3 of the Constitution require that a director (other than the Managing Director) must not hold office without re-election for more than 3 years and that one third of the directors in office (other than a Managing Director) must retire by rotation at each annual general meeting of the Company.

Mr Gary Schwab therefore retires at the forthcoming annual general meeting in accordance with the Constitution and being eligible, has offered himself for re-election at the meeting.

Mr Schwab is a Certified Practising Accountant with over 40 years business experience, including 20 years in the resources sector. Mr Schwab was previously Executive Director for a privately owned commodities group. In that role, Mr Schwab was responsible for managing a long term wealth creation strategy (in conjunction with the principal and owner) which culminated in the creation of what is currently one of Australia's wealthiest unlisted private commodities companies.

The Board (excluding Mr Schwab) recommends that shareholders vote in favour of the re-election of Mr Schwab as a director of the Company. The Chairman intends to vote undirected proxies in favour of Resolution 1.

**RESOLUTION 2 – REMUNERATION OF NON-EXECUTIVE DIRECTORS**

ASX Listing Rule 10.17 and Clause 11.15 of the Constitution provide that the maximum aggregate amount of the remuneration payable to non-executive directors is to be determined by shareholders in general meeting.

Resolution 2 seeks the approval of shareholders to increase the maximum fees payable to non-executive directors in each financial year from \$200,000 to \$400,000 in aggregate, to be apportioned between them as determined by Board resolution. The current level of fees paid to non-executive directors amounts to a total of \$196,200 per annum, inclusive of statutory superannuation contributions.

The proposed new aggregate fixed sum per annum has been determined after considering the number of non-executive directors on the Board and reviewing comparable companies listed on the ASX.

The proposed aggregate sum is not intended to be distributed in full. The unused portion will enable the Company to appoint additional directors in the future, if that is considered desirable in the circumstances and to allow for possible fee increases in the future in line with market conditions or significant changes to the Company's business.

### ***Voting exclusion***

All non-executive directors are excluded from voting on the resolution.

If the Chairman of the meeting is appointed as your proxy, you can expressly authorise the Chairman to exercise your proxy on Resolution 2 in accordance with his stated voted intentions, even though it is connected directly or indirectly with the remuneration of members of Key Management Personnel (which includes the Chairman), by marking the appropriate box. Alternatively, if you appoint the Chairman as your proxy you can direct the Chairman to vote for or against or abstain from voting on this resolution by marking the appropriate box on the attached proxy form.

Alternatively, shareholders can nominate as their proxy for the purposes of Resolution 2 a proxy who is not a member of the Company's Key Management Personnel or a Closely Related Party. That person would be permitted to vote undirected proxies.

The Chairman of the meeting intends to vote all available proxies to the extent expressly authorised in favour of Resolution 2.

### **RESOLUTION 3 – REMUNERATION REPORT**

The Remuneration Report is contained in the Directors' Report section of the Company's 2012 annual report. The Remuneration Report describes the underlying policies and structure of the remuneration policies of the Company and sets out the remuneration arrangements in place for directors and senior executives.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of shareholders of the Company. However, shareholders should note that the vote on Resolution 3 is advisory only and not binding on the Company or the directors.

### ***Voting exclusion***

Under the Corporations Act, members of Key Management Personnel of the Company will be excluded from voting on Resolution 3.

If the Chairman of the meeting is appointed as your proxy, you can expressly authorise the Chairman to exercise your proxy on Resolution 3 in accordance with his stated voted intentions, even though it is connected directly or indirectly with the remuneration of members of Key Management Personnel (which includes the Chairman), by marking the appropriate box. Alternatively, if you appoint the Chairman as your proxy you can direct the Chairman to vote for or against or abstain from voting on this resolution by marking the appropriate box on the attached proxy form.

Alternatively, shareholders can nominate as their proxy for the purposes of Resolution 3 a proxy who is not a member of the Company's Key Management Personnel or a Closely Related Party. That person would be permitted to vote undirected proxies.

The Chairman of the meeting intends to vote all available proxies to the extent expressly authorised in favour of Resolution 3.

### **RESOLUTION 4 – RATIFICATION OF SHARE AND OPTION ISSUE**

On 22 June 2012, Catalyst made a private placement of 1,214,429 ordinary fully paid shares, at a subscription price of 42 cents each, plus 151,806 free attaching options over fully paid shares (exercisable at 50 cents each on or before 15 January 2013) on the basis of one option for every eight shares subscribed for. Funds raised from the placement amounted to \$510,060 and will be used to fund ongoing exploration programmes and as additional working capital for the Company. The placement was made by way of an excluded offer of ordinary shares under Section 708 of the Corporations Act, meaning that the offer did not require disclosure under Part 6D.2 of the Corporations Act.

ASX Listing Rule 7.1 prohibits a listed company from issuing equity securities representing more than 15% of its issued capital in any 12 month period without first obtaining shareholder approval (subject to certain exceptions).

Under ASX Listing Rule 7.4, a company can seek ratification of issues that have been made within the previous 12 month period. The effect of such ratification is that the issue of shares is then deemed to have been made with shareholder approval, thus not counting towards the 15% limit. The approved shares are also included in the base number for calculating the Company's 15% limit, thereby increasing the number of equity securities the Company can issue without first having to obtain shareholder approval under Listing Rule 7.1.

The placement was made within the Company's available 15% capacity at the time of issue. Resolution 4 seeks the ratification by shareholders of the issue of the 1,214,429 shares and 151,806 options to sophisticated and professional investors. If the resolution is approved then those shares and options will be deemed to have been issued pursuant to shareholder approval thus they will not be counted in the Company's 15% placement capacity pursuant to ASX Listing Rule 7.1.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purposes of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total number of securities issued was 1,214,429 ordinary fully paid shares and 151,806 options over fully paid shares exercisable at 50 cents each on or before 15 January 2013;
- (b) the issue price of the shares was 42 cents per share. The options were issued free on the basis of one option for every eight shares subscribed for under the placement;
- (c) the shares were allotted and credited as fully paid and rank equally with the existing shares on issue. The terms of the options are set below;
- (d) the shares and options were allotted and issued to sophisticated and professional investors, who are not related parties of the Company; and
- (e) the funds raised will be used for exploration programmes on the Four Eagles project and the Company's other mineral exploration projects and for general working capital purposes.

***Terms and conditions of options***

The options entitle the holder to subscribe for ordinary fully paid shares in the capital of the Company on the following terms and conditions:

- (a) Each option entitles the holder to subscribe for one (1) share in the Company at a subscription price of 50 cents per share.
- (b) The options are exercisable at any time on or before 5.00 pm (Australian Western Standard Time) on 15 January 2013 (Expiry Date) by completing an option exercise form and delivering it to the Company's share registry together with payment for the number of shares in respect of which the options are exercised and the holding statement for those options.
- (c) The options may be exercisable in whole or in part. If the options are exercised in part, each notice of exercise must be for not less than 1,000 shares and thereafter in multiples of 1,000 shares.
- (d) Options not exercised by the Expiry Date shall automatically lapse.
- (e) Shares issued upon exercise of the options will rank equally in all respects with the Company's then existing shares. The Company will apply to ASX for the shares issued upon exercise of the options to be admitted to quotation.
- (f) Subject to ASX Listing Rules, the options are freely transferable in whole or part at any time prior to the Expiry Date.
- (g) There are no participating rights or entitlements inherent in the options to participate in any new issues of securities which may be made or offered by the Company to its shareholders from time to time prior to the Expiry Date unless and until the options are exercised. The Company will ensure that during the exercise period of the options the Company will notify holders of the record date for the purposes of determining entitlements to any such issue in accordance with the applicable timetable set out in the ASX Listing Rules.

- (h) In the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option holder shall be reconstructed in accordance with the ASX Listing Rules.
- (i) There will be no change to the exercise price of an option or the number of shares over which an option is exercisable in the event of the Company making a pro-rata issue of shares or other securities to holders of ordinary shares in the Company (other than a bonus issue). If during the currency of the options, there is a bonus issue of shares (Bonus Issue) to the holders of shares in the Company, the number of shares for which an option is exercisable will be increased by the number of shares which the holder would have received if the option had been exercised before the record date of the Bonus Issue.

The Board recommends that shareholders vote in favour of Resolution 4 as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 month period. The Chairman intends to vote undirected proxies in favour of Resolution 4.

## **RESOLUTION 5 – PROPORTIONAL TAKEOVER BID PROVISIONS**

At the 2009 annual general meeting of the Company, shareholders approved an amendment to the Constitution by the insertion of proportional takeover bid provisions. These provisions prohibit the registration of transfers of shares acquired under a proportional takeover bid unless a resolution is passed by shareholders approving the bid.

Under the Corporations Act, the proportional takeover bid provisions expire three years from shareholder approval, unless renewed by shareholders by a special resolution. The Company is seeking to renew the proportional takeover bid provisions for a further period of three years.

Under Section 648G of the Corporations Act, the Company may renew the proportional takeover bid provisions by amending the Constitution to re-insert those provisions by special resolution of shareholders in accordance with section 136(2) of the Corporations Act,. Section 648G(5) specifies certain information that must be provided in the notice of meeting. The following information is provided to satisfy those requirements.

The proportional takeover bid provisions that are to be re-inserted are as set out below:

In Clause 1.1 of the Constitution, the following definitions are inserted:

*“Prescribed Resolution means a resolution of the kind referred to in paragraph 1 of schedule 1.”*

*“Takeover Scheme means a takeover scheme made in accordance with Part 6.3 of the Corporations Act (as contemplated by clause 6.12).”*

The following new clause 6.12 is inserted immediately following clause 6.11:

### **“6.12 Proportional Takeover Scheme**

*Subject to the Listing Rules, if offers are made relating to a proportion of the shares in a class of shares in accordance with Part 6.3 of the Corporations Act, the Company must not register a transfer giving effect to a contract resulting from the acceptance of an offer made under that takeover scheme unless and until a resolution to approve that takeover scheme is passed in accordance with the provision of schedule 1.”*

The following new schedule 1 is inserted as schedule 1 to the Constitution:

### **“SCHEDULE 1 – PROPORTIONAL TAKEOVER SCHEME**

1. A resolution to approve a Takeover Scheme must be voted on at a meeting of the Members (other than the offeror in respect of the Takeover Scheme and each associate of the offeror) who, as at the end of the day on which the first offer under the Takeover Scheme was made held shares of the class subject to the Takeover Scheme.

2. *The meeting referred to in paragraph 1 of this schedule must be:*
  - (a) *convened and conducted by the Company;*
  - (b) *except as otherwise provided in this schedule, conducted as if it were a general meeting of the Company; and*
  - (c) *held so that the Prescribed Resolution is voted on before the day which is 14 days before the end of the period during which the offers under the Takeover Scheme remain open.*
3. *At the meeting referred to in paragraph 1 of this schedule, only the persons entitled by paragraph 1 of this schedule to attend the meeting are entitled to vote on the Prescribed Resolution.*
4. *Each Member entitled to vote on the Prescribed Resolution is entitled to one vote for each share the subject of the Takeover Scheme held by that Member.*
5. *A Prescribed Resolution is carried if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise is taken to have been rejected.”*

#### ***What is a proportional takeover bid***

A proportional takeover bid is one in which a bidder offers to buy only a proportion of each shareholder's shares in the target company. This can result in control being transferred to the bidder without shareholders having the chance to sell all their shares. It also means a bidder can obtain control of a company without paying appropriate consideration for gaining such control.

To deal with this possibility, the Corporations Act permits a company to allow its shareholders to consider a resolution to approve a proportional takeover bid before the bid is accepted, by setting out appropriate provisions in its constitution.

The Company wishes to re-insert such provisions in its Constitution for a further period of three years, for the reasons set out in this explanatory memorandum.

#### ***Effect of the provisions***

If the proportional takeover bid provisions are re-inserted and a proportional takeover bid is subsequently made for a class of shares in the Company, the directors will be required to convene a general meeting of shareholders in that class to vote on a resolution to approve the proportional takeover bid. The resolution must be passed more than 14 days before the last day of the bid period. The bidder and any of its associates will be excluded from voting.

If the resolution is rejected by shareholders, registration of any transfer of shares resulting from the proportional bid will be prohibited. Acceptances will be returned and any contracts formed by acceptances will be rescinded.

If the resolution is approved, transfers of shares to the bidder will be registered provided they comply with the Corporations Act and the other provisions of the Company's Constitution.

If no resolution is voted on by the 14th day before the last day of the bid period, then the resolution approving the proportional bid will be deemed to have been approved.

If approved, the proportional takeover bid provisions will expire after three years, unless renewed again by shareholders by a special resolution.

#### ***Reasons for proposing the resolution***

The directors consider that shareholders should have the opportunity to vote on a proposed proportional takeover bid. Without the provisions, a proportional takeover bid for the Company might enable a bidder to obtain control of the Company without shareholders having the opportunity to dispose of all their shares or dispose of their shares for an adequate control premium. The provisions give shareholders the opportunity to decide whether a proportional takeover bid should proceed. If it does proceed, individual shareholders can make a separate decision as to whether they wish to accept the offer for their shares.



### ***Present acquisition proposals***

As at the date of this explanatory memorandum, none of the directors are aware of a proposal by a person to acquire or to increase the extent of a substantial interest in the Company.

### ***Potential advantages and disadvantages***

The proportional takeover bid provisions enable the directors to ascertain the views of shareholders on a proportional takeover bid. Apart from this, there is no specific advantage or disadvantage for directors, in their capacity as directors, in seeking to include the proportional takeover approval provisions in the Constitution.

The potential advantages of the proportional takeover bid provisions for shareholders of the Company are:

- (a) the provisions ensure that all shareholders (other than the bidder and its associates) will have an opportunity to study a proportional takeover bid proposal and vote on whether it should be permitted to proceed;
- (b) the requirements for shareholder approval should ensure that the terms of any future proportional takeover bids are structured to be attractive to a majority of independent shareholders;
- (c) the provisions may help shareholders avoid being locked in as a minority; and
- (d) knowing the view of the majority of shareholders may help individual shareholders assess the likely outcome of a proportional takeover bid and to decide whether to accept or reject that offer.

The potential disadvantages of the proportional takeover bid provisions for shareholders are:

- (a) the need for shareholder approval may make a proportional takeover bid more difficult to achieve and therefore proportional takeover bids may be discouraged;
- (b) this in turn may reduce opportunities which shareholders may have to sell some of their shares at an attractive price to persons securing control of the Company and may reduce an element of takeover speculation from the Company's share price; and
- (c) the provisions arguably constitute an additional restriction on the ability of shareholders to deal freely with their shares.

The directors consider that the potential advantages for shareholders outweigh the potential disadvantages and that the re-insertion of the proportional takeover bid provisions as proposed by Resolution 5 are in the best interests of shareholders. The directors recommend that shareholders vote in favour of Resolution 5.

The Chairman intends to vote undirected proxies in favour of Resolution 5.

### **GLOSSARY OF TERMS**

**“ASX”** means ASX Limited;

**“ASX Listing Rules”** means the official listing rules of ASX;

**“Board”** means the board of directors of the Company;

**“Closely Related Party”** is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of KMP.

**“Company”** or **“Catalyst”** means Catalyst Metals Limited (ABN 54 118 912 495);

**“Constitution”** means the constitution of the Company;

**“Corporations Act”** means the Corporations Act 2001 (Commonwealth);

**“Corporations Regulations”** means the Corporations Regulations 2001 (Commonwealth);

**“Key Management Personnel”** or **“KMP”** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any director (whether executive or otherwise) of the Company.

# CATALYST METALS LIMITED

ABN 54 118 912 495

## PROXY FORM

Company Secretary  
Catalyst Metals Limited  
Level 3  
50 Colin Street  
West Perth Western Australia 6005

FACSIMILE: (08) 9284 5426

### Shareholder details

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

Number of shares held: \_\_\_\_\_

### Appointment of Proxy

I/We being a shareholder of Catalyst Metals Limited holding the number of shares set out above, hereby appoint:

The Chairman of the meeting (mark with an "X") **OR**  Write here the name of the person you are appointing if this person is someone other than the Chairman of the meeting.

or failing the person named (or if no person is named), the Chairman of the meeting, as my/our proxy to attend and vote on my/our behalf at the annual general meeting of Catalyst Metals Limited Limited to be held on 16 November 2012 at the Celtic Club, 48 Ord Street, West Perth, Western Australia, and at any adjournment thereof.

### Important for Resolutions 2 and 3

By marking the box below, you are directing the Chairman to vote in accordance with the Chairman's voting intentions as set out below. If you do not mark this box and you have not directed your proxy how to vote on Resolutions 2 and 3, the Chairman will not cast your votes on Resolutions 2 and 3 and your votes will not be counted if a poll is called on these Resolutions. If you appoint the Chairman as your proxy you can direct the Chairman how to vote by either marking the For, Against or Abstain boxes below, or by marking this box (in which case the Chairman will vote in favour of all Resolutions).

I/We expressly authorise the Chairman to exercise my/our proxy on Resolutions 2 and 3 (except where I/we have indicated a different voting intention below) even though Resolutions 2 and 3 are connected directly or indirectly with the remuneration of a member of Key Management Personnel (which includes the Chairman) and/or even if he has an interest in the outcome of the Resolution 2 and 3 and that votes cast by the Chairman (other than as proxy holder) would be disregarded because of that interest. The Chairman of the meeting intends to vote undirected proxies in favour of all the Resolutions.

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

		FOR	AGAINST	ABSTAIN
Resolution 1	Re-election of Gary Schwab as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Remuneration of non-executive directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of share and option issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Proportional takeover bid provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**PLEASE SIGN HERE** This section must be signed in accordance with the instructions overleaf.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Individual or Shareholder 1

Sole Director and Sole Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

## VOTING BY PROXY

1. A member of the Company entitled to attend and vote at the annual general meeting is entitled to appoint a proxy (who need not be a member) to attend and vote on his/her behalf.
2. If the member is entitled to cast two or more votes at the meeting, they may appoint two proxies. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes.
3. The proxy form must be received at the Company's registered office at Level 3, 50 Colin Street, West Perth, Western Australia, 6005, or by facsimile on (08) 9284 5426 and in both cases, not less than 48 hours before the time of the holding of the meeting.
4. In the case of joint holders of a share in the Company the vote of the senior who tenders a vote, whether in person or by proxy, attorney or representative, must be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority is determined by the order in which the names stand in the register.
5. An instrument appointing a proxy must be in writing under the hand of the appointor or of the appointor's attorney, duly authorised in writing or, if the appointor is a corporation, under seal. A copy of the power of attorney must be lodged for any proxy appointed under a power of attorney.
6. A proxy for a corporation must be appointed under the common seal of the corporation or signed in accordance with the requirements of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company; or
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary, that director.

For the Company to rely on the assumptions set out in Sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

7. If no voting instructions are marked on the proxy form then the proxy may vote as he/she thinks fit or may abstain from voting, unless the proxy form or notice of meeting specifies otherwise.

If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on the shareholder's behalf on a poll and the shares the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned and the nominated proxy does not attend the meeting, the chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the chairman of the meeting which do not contain a direction how to vote will be used to support each of the resolutions proposed in the notice of meeting, if permitted by law.