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**MINDAX LIMITED**

**ACN 106 866 442**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10:30 am (AWST)

**DATE:** Friday, 30 November 2012

**PLACE:** Esplanade River Suites,  
112 Melville Parade,  
Como, Western Australia, 6152

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9485 2600.*

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## **IMPORTANT INFORMATION**

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### **TIME AND PLACE OF MEETING**

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Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:30 am (AWST) on Friday, 30 November 2012 at:

Esplanade River Suites,  
112 Melville Parade,  
Como, Western Australia, 6152.

### **YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### **VOTING ELIGIBILITY**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4:00 pm (AWST) on 28 November 2012.

### **VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting at the time, date and place set out above.

### **VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to

exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### ORDINARY BUSINESS

##### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2012 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2012.”*

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

##### Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

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#### 2. RESOLUTION 2 – RE-ELECTION OF MR GILBERT GEORGE AS DIRECTOR

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

*“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Gilbert George, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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### 3. RESOLUTION 3 – RE-ELECTION OF MR LOH KGAI MUN (ERIC LOH) AS DIRECTOR

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

*“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Loh Kgai Mun, a Director who was appointed on 28 March 2012, retires, and being eligible, is re-elected as a Director.”*

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### 4. RESOLUTION 4 – RE-ELECTION OF DR STEPHEN WARD AS DIRECTOR

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

*“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Dr Stephen Ward, a Director and the Company's Managing Director who was appointed on 30 July 2012, retires, and being eligible, is re-elected as a Director.”*

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### 5. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

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

*“That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Company's issued capital, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and 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 any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.

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### 6. RESOLUTION 6 – ISSUE OF OPTIONS TO MR GILBERT GEORGE

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

*“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 1,000,000 Options to Mr Gilbert George (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Gilbert George (or his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 7. RESOLUTION 7 – ISSUE OF OPTIONS TO MR ANDREW TSANG

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

*“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 500,000 Options to Mr Andrew Tsang (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Andrew Tsang (or his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a person as a 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.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 8. RESOLUTION 8 – ISSUE OF OPTIONS TO MR BENJAMIN CHOW

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

*“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 500,000 Options to Mr Benjamin Chow (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Benjamin Chow (or his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a **person** as a 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.

### **Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 9. RESOLUTION 9 – ISSUE OF OPTIONS TO MR LOH KGAI MUN

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

*“That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 500,000 Options to Mr Loh Kgai Mun (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Loh Kgai Mun (or his nominee) and any of his associates. However, the Company need not disregard a vote if it is cast by a **person** as a 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.

### **Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 10. RESOLUTION 10 – APPROVAL FOR SHARE ISSUE ON CONVERSION OF CONVERTIBLE NOTE

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 4,694,118 Shares to Ms Lai You (or her nominee) upon the conversion of the Convertible Note on the terms and conditions set out in the Explanatory Statement.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Andrew Tsang or Ms Lai You (or their nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a 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.

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## 11. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE – SHARES

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 29,492,537 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.

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## 12. RESOLUTION 12 – APPROVAL OF SHARE PLACEMENT - ALTERNATE TO RESOLUTION 11

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

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 29,492,537 Shares on the terms and conditions set out in the Explanatory Statement.”*



**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and 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 any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.

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**DATED: 17 OCTOBER 2012**

**BY ORDER OF THE BOARD**



**CHRISTOPHER PUGNAULT  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2012 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.mindax.com.au](http://www.mindax.com.au).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2012.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

#### 2.2 Voting consequences

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings (i.e. the 2012 and the 2013 meetings), the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the Company who were in office when the directors' report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the Company is approved will be the directors of the Company.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### 2.3 Proxy Restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

#### ***If you appoint a member of the Key Management Personnel as your proxy***

If you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, ***you must direct the proxy how they are to vote.*** Undirected proxies granted to these persons will not be included in any vote on Resolution 1.

#### ***If you appoint the Chair as your proxy***

If you elect to appoint the Chair as your proxy, you ***do not*** need to direct the Chair how you wish them to exercise your vote on Resolution 1, however if you do not direct the Chair how to vote, ***you must tick the acknowledgement on the proxy form to acknowledge that the Chair may exercise their discretion in exercising your proxy even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel.***

#### ***If you appoint any other person as your proxy***

You ***do not*** need to direct your proxy how to vote, and you ***do not*** need to tick any further acknowledgement on the proxy form.

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## 3. RESOLUTION 2 – RE-ELECTION OF MR GILBERT GEORGE AS DIRECTOR

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mr Gilbert George, the Director longest in office since his last election, retires by rotation and seeks re-election.

### 3.1 Mr Gilbert George

Mr Gilbert George joined the Board in January 2004 in a non executive capacity. He is the Chairman of the Board of Directors and a member of the Remuneration, Audit and Nomination Committees.

Mr Gilbert has an honours degree in Agricultural Science, as well as a Masters Degree in Economics from a prestigious Japanese university. After working in Australia and Japan in Government positions, Gilbert established his own business development consultancy in 1988.

He is the principal of Gilbert George & Associates Pty Ltd which has provided strategic advice to companies in Australia, Africa, Japan, the US and Europe and been involved in over \$950 million of new investment in Australia, in the resource, IT, food processing and service sectors. Resource experience includes gold, manganese, oil and heavy mineral sands.

He holds directorships in the following unlisted companies: Bedley Holdings Pty Ltd, Ocean Power Technologies (Australasia) Pty Ltd and Governor Holdings Pty Ltd. Gilbert has also been a member of a number of charities and state government and international advisory committees, including Anglicare and the Asian Round Table.

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#### **4. RESOLUTIONS 3 AND 4 – RE-ELECTION OF MR LOH KGAI MUN AND DR STEPHEN WARD AS DIRECTORS**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, as long as the appointment of an additional Director does not cause the Company to exceed the maximum number of Directors specified by the Constitution. Clause 13.1 of the Constitution allows for up to 9 Directors.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

##### **4.1 Mr Loh Kgai Mun (Eric Loh)**

Eric Loh joined the Board in March 2012 in a non executive capacity and is also the Chairman of the Audit Committee.

Eric is also the Executive Director of Lion Asiapac Limited, a company listed on the Singapore Exchange, since August 2008.

He has a wealth of management experience including listed companies with multi-national operations. He has also been involved in strategic planning and has spearheaded numerous merger and acquisition projects.

Prior to 2008, he was the Group General Manager of Lion Asiapac Limited and oversaw operational, financial, and management matters of the Group.

In 1998, Mr Loh joined The Lion Group as the Financial Controller of the Group's telecommunications business unit. Concurrently, he also headed the Group Internal Audit and Group MIS Divisions in Singapore.

Mr Loh holds a Master's Degree in Business Administration from the Edinburgh University Management School and is an Associate Member of the Institute of Chartered Accountants in England and Wales.

##### **4.2 Dr Stephen Ward**

Dr Stephen Ward was appointed to the Board as Managing Director and Chief Executive Officer on 30 July 2012.

Dr Ward has a Bachelor of Science (Honours in Chemistry), a PhD in Physical Chemistry, and is graduate of the Australian Institute of Company Directors.

Dr Ward has over 30 years' experience in the mining, minerals processing and chemicals industries.

Dr Ward gained 20 years broad experience with Tioxide Group Limited (**Tioxide**), where he worked in production, operational, engineering and technical roles at the Australian production facility. He became the inaugural general manager responsible for the start-up and development of Tioxide's manufacturing facilities in Malaysia. He subsequently moved into business management roles based in the UK and became an executive director of the global company with general management responsibility of the European, Middle East and Southern Africa business unit.

He subsequently spent 7 years at Iluka Resources Limited as the President of the USA mining and processing operations, and global executive general manager responsible for sales, marketing and business development.

In 2007 Dr Ward was appointed a non-executive director of Arafura Resources Limited (**Arafura**) where he was chairman of the Remuneration and Nomination committee. In 2010 he was appointed Arafura's Managing Director and CEO.

#### **4.3 Re-election**

As Mr Loh and Dr Ward were appointed as additional directors, they will retire in accordance with clause 13.4 of the Constitution and being eligible, seek re-election.

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### **5. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY**

#### **5.1 General**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued (**10% Placement Capacity**).

If Shareholders approve Resolution 5, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 5.2 below).

The effect of Resolution 5 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

#### **5.2 ASX Listing Rule 7.1A**

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$14,746,268.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of Equity Securities on issue, being the Shares.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times B) - C$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
  - (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4; and
  - (d) less the number of Shares cancelled in the previous 12 months.
- B** is 10%.
- C** is the number of Equity Securities issued or agreed to be issued under ASX 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 ASX Listing Rule 7.1 or 7.4.

### 5.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 5.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; or
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid).

or such longer period if allowed by ASX (**10% Placement Capacity Period**).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Ordinary Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.0375 (50% decrease in current issue price)	\$0.075 (Current issue price)	\$0.1125 (50% increase in current issue price)
230,803,566 (Current)	Shares issued	23,080,356 Shares	23,080,356 Shares	23,080,356 Shares
	Funds Raised	\$865,513	\$1,731,027	\$2,596,540
346,205,349 (50% increase)*	Shares issued	34,620,534 Shares	34,620,534 Shares	34,620,534 Shares
	Funds Raised	\$1,298,270	\$2,596,540	\$3,894,810
461,607,132 (100% increase)*	Shares issued	46,160,713 Shares	46,160,713 Shares	46,160,713 Shares
	Funds Raised	\$1,731,027	\$3,462,053	\$5,193,080

\*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 230,803,566 Shares on issue comprising:
  - (a) 196,616,911 existing Shares as at the date of this Notice of Meeting; and
  - (b) 34,186,655 Shares which will be issued if Resolutions 10 and 11 (or alternatively Resolution 12) are passed at this Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 5 October 2012.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

**(d) Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:



- (i) as cash consideration in which case the Company intends to use funds raised for further exploration and development of the Company's projects and to provide working capital; or
- (ii) as non-cash consideration for the acquisition of new resource based projects, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) **Allocation under the 10% Placement Capacity**

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company has not previously obtained approval under ASX Listing Rule 7.1A.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

## 5.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in

an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

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## **6. RESOLUTION 6, 7, 8 AND 9 – ISSUE OF OPTIONS TO MESSRS GILBERT GEORGE, BENJAMIN CHOW, ANDREW TSANG AND LOH KGAI MUN**

### **6.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 2,500,000 Options (**Related Party Options**) to Messrs Gilbert George, Benjamin Chow, Andrew Tsang and Loh Kgai Mun (**Related Parties**) on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and Messrs Gilbert George, Benjamin Chow, Andrew Tsang and Loh Kgai Mun are related parties of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Options to the Related Parties.

### **6.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)**

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options:

- (a) the related parties are Messrs Gilbert George, Benjamin Chow, Andrew Tsang and Loh Kgai Mun and they are related parties by virtue of being Directors;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
  - (i) 1,000,000 Related Party Options to Mr Gilbert George;
  - (ii) 500,000 Related Party Options to Mr Benjamin Chow;
  - (iii) 500,000 Related Party Options to Mr Andrew Tsang; and
  - (iv) 500,000 Related Party Options to Mr Loh Kgai Mun;

- (c) the Related Party Options will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Related Party Options are set out in Schedule 1;
- (f) the value of the Related Party Options and the pricing methodology is set out in Schedule 2;
- (g) the relevant interests of the Related Parties in securities of the Company are set out below:

<b>Related Party</b>	<b>Shares</b>	<b>Options</b>
Mr Gilbert George	4,311,413	Nil
Mr Benjamin Chow	196,000	Nil
Mr Andrew Tsang	43,070,425	Nil
Mr Loh Kgai Mun	Nil	Nil

- (h) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

<b>Related Party</b>	<b>Current Financial Year</b>	<b>Previous Financial Year</b>
Mr Gilbert George	\$109,000	\$74,600
Mr Benjamin Chow	\$54,500	\$54,500
Mr Andrew Tsang	\$54,500	\$54,500
Mr Loh Kgai Mun	\$54,500	\$18,877

- (i) if the Related Party Options granted to the Related Parties are exercised, a total of 2,500,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 230,803,565 to 233,303,565 (assuming that no other Options are exercised and no shares other than those contemplated by the Resolutions of this Notice are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.07%, comprising 0.43% by Mr Gilbert George, 0.21% by Mr Andrew Tsang, 0.21% by Mr Benjamin Chow, and 0.21% by Mr Loh Kgai Mun.

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	<b>Price</b>	<b>Date</b>
Highest	20 cents	2 December 2012
Lowest	6 cents	19 September 2012
Last	7.5 cents	17 October 2012

- (k) the Board acknowledges the grant of Related Party Options to the Related Parties is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Related Party Options to the Related Parties reasonable in the circumstances for the reason set out in paragraph (m);
- (l) the primary purpose of the grant of the Related Party Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (m) The Company's Managing Director, Dr Stephen Ward, who does not have a material interest in the outcome of Resolutions 6, 7, 8 and 9, recommends that Shareholders vote in favour of these Resolutions for the following reasons:
- (i) The grant of the Related Party Options to the Related Parties will align the interests of the Related Parties with those of Shareholders;
  - (ii) The Related Parties do not currently have an incentive based component of their remuneration;
  - (iii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
  - (iv) it is not considered that there are any significant opportunity costs to the Company or foregone by the Company in granting the Related Party Options upon the terms proposed;
- (n) Mr Gilbert George, declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should Resolution 6 be passed. However, in respect of Resolutions 7, 8 and 9, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (o) Mr Andrew Tsang, declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related

Party Options in the Company should Resolution 7 be passed. However, in respect of Resolutions 6, 8 and 9, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);

- (p) Mr Benjamin Chow, declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should Resolution 8 be passed. However, in respect of Resolutions 6, 7 and 9, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (q) Mr Loh Kgai Mun, declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution on the basis that he is to be granted Related Party Options in the Company should Resolution 9 be passed. However, in respect of Resolutions 6, 7 and 8, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (r) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options; and
- (s) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 6 to 9.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **7. RESOLUTION 10 – APPROVAL FOR SHARE ISSUE ON CONVERSION OF CONVERTIBLE NOTE**

### **7.1 General**

On 26 September 2012 the Company granted a convertible note to Ms Lai You on the terms and conditions set out in Schedule 3 (**Convertible Note**). The Convertible Note is being issued in consideration for Ms Lai You providing a loan of \$399,000 to the Company.

The Convertible Note will convert into 4,694,118 Shares (**Conversion Shares**) at a deemed issued price of 8.5 cents per Share upon Shareholder approval being obtained pursuant to this Resolution 10.

Resolution 10 is seeking Shareholder approval for the allotment and issue of up to 4,694,118 Shares to Ms Lai You.

A summary of the key terms of the Convertible Notes are as follows:

- (a) the face value of the note is \$399,000;

- (b) the Convertible Note shall convert into Shares at a deemed issue price of \$0.085 (i.e. 4,694,118 Shares) immediately following a meeting at which shareholders approve the conversion of the Convertible Note into Shares;
- (c) no interest will be payable on the Convertible Note unless Shareholder approval is not obtained at this Annual General Meeting, in which case interest will accrue at the rate of 10% per annum.
- (d) Ms Lai You may demand immediate repayment of the Convertible Note, together with all accrued interest, if the Company fails to issue the Shares on the conversion of the Note; and
- (e) all shares issued pursuant to the conversion of the Convertible Note will rank equally with the Company's existing ordinary fully paid shares;
- (f) the Convertible Note contains other standard terms and conditions outlined in Schedule 3.

## **7.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The conversion of the Convertible Note will result in the issue of Shares which constitutes giving a financial benefit and Ms Lai You is a related party of the Company by virtue of being a Mr Andrew Tsang's (Company Director) mother.

The Directors (other than Mr Andrew Tsang who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Conversion Shares to Ms Lai You as they consider the terms of the Convertible Note and the issue of the Shares pursuant to the Convertible Note to be commercially reasonable and at arm's length, as the deemed conversion price is at the same price as the Share Placement pursuant to Resolution 11 and 12.

## **7.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The conversion of the Convertible Note involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

## 7.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares will be allotted and issued to Ms Lai You (or her nominee);
- (b) the maximum number of Shares to be issued is 4,694,118 Shares;
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur within 2 business days after the conversion of the Convertible Note;
- (d) the Consideration Shares will be issued for nil cash consideration as they are being issued in satisfaction of a loan of \$399,000. The deemed issue price of the Consideration Shares is \$0.085 per Share;
- (e) the Conversion Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Conversion Shares as the Conversion Shares are being issued in satisfaction of a loan of \$399,000. The funds received from the loan will be applied to further exploration and development of the Company's current projects and general working capital.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Ms Lai You (or her nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## 8. RESOLUTION 11 – RATIFICATION OF PRIOR ISSUE – SHARES

### 8.1 General

Resolution 11 seeks Shareholder ratification for the allotment and issue of 29,492,537 Shares at an issue price of \$0.085 per Share to raise up to \$2,506,866. **(Share Placement)**

It is the Company's intention to finalise the Share Placement between the date of this Notice of Meeting and the date of the Meeting, using its existing capacity under Listing Rule 7.1. However, as the Company intends to finalise the Share Placement prior to the Meeting, it is seeking Shareholder ratification of the issue, in accordance with Listing Rule 7.4.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## 8.2 Important Notice

***In the event that the Share Placement does not occur prior to the Meeting date, the Chairman intends to move that Resolution 11 be withdrawn at the Meeting and Shareholder approval for the Share Placement will alternatively be sought pursuant to Resolution 12 (see below).***

## 8.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 29,492,537 Shares were allotted;
- (b) the issue price was \$0.085 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) 17,695,522 Shares were allotted and issued to Mr Zhensheng Zhuang and 11,797,015 Shares were allotted and issued to Mr Chenfei Zhuang, who are both sophisticated investors who qualifies to participate in an excluded offer pursuant to sections 708 of the Corporations Act. Mr Zhensheng Zhuang and Mr Chenfei Zhuang are not related parties of the Company; and
- (e) the funds raised from this issue were used for:
  - (i) further exploration and development of the Company's current projects, primarily the Mt Forrest Iron Ore Project (the Company refers Shareholders to the Business Update lodged with the ASX on 24 September 2012); and
  - (ii) general working capital.

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## 9. RESOLUTION 12 – APPROVAL OF SHARE PLACEMENT - ALTERNATE TO RESOLUTION 11

### 9.1 General

Resolution 12 is an alternate resolution to Resolution 11 whereby the Company seeks Shareholder approval for the purposes of Listing Rule 7.1, for the same Share Placement that is the subject of Resolution 11. As noted above, it is the Company's intention to finalise the Share Placement between the date of this Notice of Meeting and the date of the Meeting.

A summary of ASX Listing Rule 7.1 is set out in Section 8.1 above.

The effect of Resolution 12 will be to allow the Directors to issue the Shares pursuant to the Share Placement without using the Company's 15% annual placement capacity.



## 9.2 Important Notice

***If the Share Placement occurs prior to the Meeting date, the Chairman intends to move that Resolution 12 be withdrawn at the Meeting, given that the Share Placement will have already been considered pursuant to Resolution 11.***

***In the event that the Share Placement does not occur prior to the Meeting date, the Chairman intends to move that Resolution 11 be withdrawn at the Meeting and Shareholder approval for the Share Placement will alternatively be sought pursuant to this Resolution 12.***

## 9.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) the maximum number of Shares to be issued is 29,492,537;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be \$0.085 per Share;
- (d) the Shares will be allotted and issued to Mr Zhensheng Zhuang and Mr Chenfei Zhuang, both being sophisticated investors who qualifies to participate in an excluded offer pursuant to sections 708 of the Corporations Act. Mr Zhensheng Zhuang and Mr Chenfei Zhuang are not related parties of the Company
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards:
  - (i) further exploration and development of the Company's current projects, primarily the Mt Forrest Iron Ore Project (the Company refers Shareholders to the Business Update lodged with the ASX on 24 September 2012); and
  - (ii) general working capital.

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## GLOSSARY

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**\$** means Australian dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**AWST** means Western Standard Time as observed in Perth, Western Australia.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** means Mindax Limited (ACN 106 866 442).

**Constitution** means the Company's constitution.

**Convertible Note** means a convertible note granted on the terms and conditions set out in Schedule 3.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Eligible Entity** has the meaning given in section 5.2 of this Notice.

**Equity Securities** has the meaning given in Chapter 19 of the ASX Listing Rules.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes 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.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

**Ordinary Securities** has the meaning given in Chapter 19 of the ASX Listing Rules.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Party Option** means an Option granted pursuant to Resolution 6, 7, 8 and 9 with the terms and conditions set out in Schedule 1

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2012.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price and Expiry Date**

The Options will have an exercise price that is 130% of the 5 day volume weighted average share price, calculated at the date of the issue of the Options (**Exercise Price**) and will expire on the date that is 3 years from the date of issue (**Expiry Date**).

(c) **Vesting Date**

The Options will vest after 1 year from the date of issue.

(d) **Exercise Period**

The Options are exercisable at any time after the vesting date and on or prior to the Expiry Date.

(e) **Notice of Exercise**

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(f) **Timing**

Within 15 Business Days after the later of the following:

- (i) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised the Company will:

- (i) allot and issue the Shares pursuant to the exercise of the unlisted options;
- (ii) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and
- (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the unlisted options.

If a notice delivered under (f)(iii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than thirty (30) days after the date of issue of the Shares lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(g) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(h) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Unlisted**

The Options will be unlisted Options.

(m) **Options transferable**

The Options are not transferable.

(n) **Lodgement instructions**

Payment of the Exercise Price shall be in Australian currency made payable to the Company by electronic funds transfer or other means of payment acceptable to the Company. The application for shares on exercise of the Options with the appropriate remittance should be lodged with the Company in the manner provided in the Option certificate.

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

## SCHEDULE 2 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 6, 7, 8 and 9, have been value by Stantons International Securities.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

<b>Assumptions:</b>	
Valuation date	24 September 2012
Market price of Shares	6 cents
Exercise price	7.80 cents (130% of the 5 day VWAP)
Expiry date (length of time from issue)	3 years from issue
Risk free interest rate	2.5%
Volatility	100
<b>Indicative value per Related Party Option</b>	3.46 cents
<b>Total Value of Related Party Options</b>	\$86,500
Mr Gilbert George	\$34,600
Mr Benjamin Chow	\$17,300
Mr Andrew Tsang	\$17,300
Mr Loh Kgai Mun	\$17,300

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

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## SCHEDULE 3 – TERMS AND CONDITIONS OF UNSECURED CONVERTING NOTE

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The terms and conditions of the Convertible Note (**Note**) are as follows:

- (a) If not converted under clause (c), the face value of the Note being the sum of \$399,000 will be repaid without deduction or counterclaim on 31 January 2013 (**Expiry Date**).
- (b) No interest will be payable on the Note unless shareholder approval to the conversion of the Note is not obtained in accordance with clause (c) as soon as practicable following the issue of this Note and in any event at the Company's 2012 Annual General Meeting, in which case interest will accrue at the rate of 10% per annum, capitalised monthly from the date of issue of the Note until the date of actual repayment.
- (c) The Note shall convert into ordinary shares (**Shares**) in the capital of the Issuer at the Issue Price, immediately following the meeting at which shareholders approve the conversion of the Note into Shares for the purpose of Listing Rules 7.1 and 10.11 of the Listing Rules of the Australian Securities Exchange, and for all other purposes. The Note will not convert and it will be a condition precedent to its conversion into Shares that shareholder approval to its conversion be obtained as soon as practicable following the issue of the Note and in any event by not later than the Company's 2012 Annual General Meeting.
- (d) The "**Issue Price**" is \$0.085 per share.
- (e) This Note is unsecured.
- (f) The Noteholder may demand immediate repayment of the Note together with all accrued interest and the Issuer must immediately make the total payment so requested in cash upon the occurrence of any of the following events:
  - (i) the Issuer fails to issue the shares on the conversion of the Note in accordance with clause 3.
  - (ii) the Issuer fails to perform any other undertaking or obligation of it under this Note and that failure is not remediable;
  - (iii) if the failure described in clause (f)(ii) is remediable, and the Issuer does not remedy the failure within five business days after receipt by the Issuer of a notice from the Noteholder specifying the failure;
  - (iv) a judgment in an amount exceeding \$500,000.00 is obtained against the Issuer and is not set aside or satisfied within 15 business days;
  - (v) a distress, attachment, execution or other process is issued against, levied or entered upon an asset of the Issuer in an amount exceeding \$500,000.00 and is not set aside or satisfied within 15 business days;
  - (vi) any of the following occur:
    - (A) an order is made; or
    - (B) a resolution is passed or any steps are taken to pass a resolution, for the winding up of the Issuer;

- (vii) any of the following occur:
    - (A) an administrator is appointed, or any steps are taken to appoint an administrator; or
    - (B) a resolution to appoint an administrator is passed, or any steps are taken to pass a resolution to appoint an administrator,  
to the Issuer;
  - (viii) the Issuer is deregistered, or any steps are taken to deregister it or the Issuer;
  - (ix) the Issuer suspends payment of its debts generally;
  - (x) the Issuer is:
    - (A) unable to pay its debts when they are due; or
    - (B) deemed to be unable to pay its debts under applicable legislation;
  - (xi) the Issuer enters into or resolves to enter into any arrangement, or composition or compromise with, or assignment for the benefit of any of its creditors;
  - (xii) the Issuer ceases to carry on business.
- (g) All shares issued pursuant to the conversion of the Note will be allotted within 2 business days after the conversion of the Note and will rank pari passu in all respects with the Issuer's then existing ordinary fully paid shares. The Issuer will apply for official quotation by ASX of all shares issued upon conversion of the Note on or before the third business day on which ASX is open after the date of allotment of the shares. The Issuer will procure that a holding statement for the shares is given to the Noteholder in accordance with the ASX Settlement Operating Rules. The issuer will issue a Cleansing Notice pursuant to Section 708A of the *Corporations Act 2001* (Cth) with respect to the issue of ordinary shares on conversion of the Note.
- (h) There are no participating rights or entitlement inherent in the Note and the Noteholder in its capacity as such will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Note.
- (i) In the event of reorganisation (including a consolidation, sub-division, reduction or return) of the issued capital of the Issuer, the number of shares into which the Note is convertible shall be reorganised (as appropriate) in the manner required by the Listing Rules of the Australian Securities Exchange with respect to options.
- (j) If and to the extent any of the preceding terms and conditions are inconsistent with the Listing Rules of the Australian Securities Exchange, such rules will prevail in all respects to the extent of the inconsistency.
- (k) These terms and conditions are governed by the laws of the State of Western Australia and the Noteholder unconditionally submits to the jurisdiction of the courts of that State and courts of appeal from them.
- (l) The Noteholder may transfer the Note to any related party (as defined in the *Corporations Act 2001* (Cth) of the Noteholder for the time being.



**PROXY FORM**

**APPOINTMENT OF PROXY  
MINDAX LIMITED  
ACN 106 866 442**

ANNUAL GENERAL MEETING

I/We

of

being a member of Mindax Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR  the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 10:30am (AWST), on 30 November 2012 at Esplanade River Suites, 112 Melville Parade, Como, Western Australia, 6152, and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

**Voting on Business of the Annual General Meeting**

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Mr Gilbert George as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-election of Mr Loh Kgai Mun as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Re-election of Dr Stephen Ward as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Issue of Options to Mr Gilbert George	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Issue of Options to Mr Andrew Tsang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Issue of Options to Mr Benjamin Chow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Issue of Options to Mr Loh Kgai Mun	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 – Approval for Share Issue on Conversion of Convertible Note	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 – Ratification of prior issue – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 – Approval of Share Placement - Alternate to Resolution 11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

**Important for Resolutions 1, 6, 7, 8, 9 and 10**

If you have not directed your proxy how to vote as your proxy in respect of Resolutions 1, 6, 7, 8, 9 and 10 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolutions 1, 6, 7, 8, 9 and 10 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolutions 1, 6, 7, 8, 9 and 10 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolutions 1, 6, 7, 8, 9 and 10 and that votes cast by the Chair for Resolutions 1, 6, 7, 8, 9 and 10, other than as proxy holder, will be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolutions 1, 6, 7, 8, 9 and 10 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1, 6, 7, 8, 9 and 10.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

Signature of Member(s):

Date:

Individual or Member 1

Sole Director & Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: \_\_\_\_\_ Contact Ph (daytime): \_\_\_\_\_

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## Instructions for Completing 'Appointment of Proxy' Form

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1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at an Annual General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If the member is entitled to cast 2 or more votes at the meeting, the member may appoint a second proxy to attend and vote on their behalf at the meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A member who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Mindax Limited, PO Box 92, WEST PERTH, WA 6872; or
  - (m) facsimile to the Company on facsimile number +61 8 9485 2500; or
  - (n) email to the Company at info@mindax.com.au,

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy forms received later than this time will be invalid.**