

PRAIRIE DOWNS METALS LIMITED
ABN 23 008 677 852

NOTICE OF GENERAL MEETING
EXPLANATORY MEMORANDUM
AND
PROXY FORM

Date of Meeting
26 October 2011

Time of Meeting
10:00 AM

Place of Meeting
Plaza Level, BGC Centre
28 The Esplanade
PERTH WA 6000

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PRAIRIE DOWNS METALS LIMITED
ABN 23 008 677 852
NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Prairie Downs Metals Limited (**Company**) will be held at Plaza Level, BGC Centre, 28 The Esplanade, Perth WA 6000 on 26 October 2011 at 10:00 am for the purpose of transacting the following business.

ORDINARY BUSINESS

Resolution 1 - Ratification of Issue and Allotment of Shares and Options - Listing Rule 7.4

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

"That, pursuant to Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue and allotment of 5,000,000 Shares and 5,000,000 Options and otherwise on terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion Statement

The Company will, in accordance with the Listing Rules of the ASX, disregard any votes cast on Resolution 1 by any person who participated in the 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 will 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 to vote as the proxy decides.

Resolution 2 – Approval of Issue of Shares and Grant of Options – Listing Rule 7.1

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

"That, in accordance with Listing Rule 7.1 and for all other purposes, the Directors be and are hereby authorised to issue and allot up to 10,000,000 Shares and 5,000,000 Options and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion Statement

The Company will, in accordance with the Listing Rules of the ASX, disregard any votes cast on Resolution 2 by any person who participated in the 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 will 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 to vote as the proxy decides.

Resolution 3 – Approval of Issue of Shares and Grant of Options to Mr Mark Pearce, a Director – Listing Rule 10.11

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

"That, subject to the passing of Resolution 2, in accordance with Listing Rule 10.11 and for all other purposes, the Directors are hereby authorised to issue and allot up to 3,000,000 Shares and 1,500,000 Options to Mr Mark Pearce (or his nominee), a Director and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion

The Company will disregard any votes on Resolution 3 cast by Mr Mark Pearce (or nominee) who will participate in the issue or any person associated with Mark Pearce. However the Company need 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 the directions on the proxy form and vote as the proxy decides.

Resolution 4 – Approval of Issue of Shares and Grant of Options to clients of Azure Capital – Listing Rule 7.1

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

“That, in accordance with Listing Rule 7.1 and for all other purposes, the Directors be and are hereby authorised to issue and allot up to 7,500,000 Shares and 3,750,000 Options to clients of Azure Capital and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion Statement

The Company will, in accordance with the Listing Rules of the ASX, disregard any votes cast on Resolution 4 by any person who participated in the 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 will 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 to vote as the proxy decides.

Resolution 5 – Approval of Issue of Shares and Grant of Options to Mr Jeremy Shervington, a Former Director – Listing Rule 10.11

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

“That, subject to the passing of Resolution 4, in accordance with Listing Rule 10.11 and for all other purposes, the Directors be and are hereby authorised to issue and allot up to 750,000 Shares and 375,000 Options to Mr Jeremy Shervington (or his nominees), the former Chairman and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion

The Company will disregard any votes on Resolution 5 cast by Mr Jeremy Shervington (or nominee) who will participate in the issue or any person associated with Jeremy Shervington. However the Company need 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 the directions on the proxy form and vote as the proxy decides.

Resolution 6 – Section 195 Approval

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

“That, in accordance with section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in this Notice.”

A proxy form is attached.

To be valid, properly completed proxy forms must be received by the Company no later than 10 am (WST) on 24 October 2011:

- By post at Level 9, BGC Centre, 28 The Esplanade, Perth WA 6000
- By facsimile on +61 8 9322 6558

By order of the Board



Mark Pearce
Company Secretary
Date: 14 September 2011

PROXIES

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

New sections 250BB and 250BC of the Corporations Act took effect on 1 August 2011 and apply to voting by proxy. Shareholders and their proxies should be aware of these changes to the Corporations Act as they apply to this meeting. Broadly, the changes mean that:

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

Proxy vote if appointment specifies way to vote

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

1. the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
2. 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
3. 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; and
4. 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.

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC provides that, if:

1. 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
2. the appointed proxy is not the chair of the meeting; and
3. at the meeting, a poll is duly demanded on the resolution; and
4. either of the following applies:
 - a. the proxy is not recorded as attending the meeting;

- b. 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.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding ordinary Shares at 5:00 pm Perth time on 24 October 2011 will be entitled to attend and vote at the General Meeting.

CORPORATIONS

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

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Prairie Downs Metals Limited ABN 23 008 677 852 (**Company**) in connection with the business to be conducted at the General Meeting of the Company to be held at Plaza Level, BGC Centre, 28 The Esplanade, Perth WA, on 26 October 2011 commencing at 10:00 am.

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

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the meeting, Shareholders will be asked to consider resolutions:

- Ratification of issue and allotment of shares and options – ASX Listing Rule 7.4; and
- Authority to issue and allot shares and options – ASX Listing Rule 7.1 and 10.11.

Each of the resolutions is an ordinary resolution requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

Resolution 1 - Ratification of Issue and Allotment of Shares and Options – Listing Rule 7.4

Resolution 1 seeks Shareholder ratification in accordance with Listing Rule 7.4 for the issue and allotment of 5,000,000 Shares at an issue price of \$0.10 each per Share and 5,000,000 free-attaching Options exercisable at \$0.15 each on or before 30 June 2015.

Resolution 1 is an ordinary resolution.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a Company's maximum discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring shareholder approval.

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Memorandum for that purpose:

1. 5,000,000 Shares and 5,000,000 Options were issued by the Company;
2. The issue price per Share was \$0.10. The Options were free-attaching;
3. The funds raised from this placement are for working capital purposes;
4. The Shares and Options were allotted to Arredo Pty Ltd. For the purposes of the issue and allotment of the Shares and Options, Arredo Pty Ltd (a company related to Mr Ian Middlemas, a Director) was not a related party of the Company at the time of issue and allotment of the Shares and Options;
5. The Shares rank equally with the existing Shares and the Options were issued on the Terms and Conditions contained in Annexure A; and
6. A voting exclusion statement is included in the Notice.

Resolution 2 – Approval of Issue of Shares and Grant of Options – Listing Rule 7.1

Resolution 2 seeks Shareholder approval in accordance with Listing Rule 7.1 for the issue of up to 10,000,000 Shares at an issue price of \$0.10 each per Share and 5,000,000 free-attaching Options exercisable at \$0.15 each on or before 30 June 2015.

Resolution 2 is an ordinary resolution.

Listing Rule 7.1 provides that the prior approval of Shareholders is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

The proposed issue of Shares and Options will be to eligible investors under s708 of the Corporations Act who are not related parties (other than as provided in Resolution 3) of the Company. This Resolution is placed before Shareholders to allow the securities to be excluded from the 15% placement capacity set out in Listing Rule 7.1.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Statement for that purpose:

1. The maximum number of securities to be issued pursuant to Resolution 2 (and including securities issued pursuant to Resolution 3) is 10,000,000 Shares and 5,000,000 Options;
2. The issue price of the Shares will be \$0.10 each per share with the Options being free-attaching;
3. The funds raised will be for working capital purposes;
4. It is anticipated that the securities will be issued and allotted progressively and in any event no later than three (3) months after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the Listing Rules;
5. The Shares and Options will be allotted at the Directors' discretion to eligible investors under s708 of the Corporations Act who are not related parties (other than as provided in Resolution 3) of the Company;
6. The Shares, once issued, will rank equally with the existing Shares on issue and the Options will be issued on the Terms and Conditions outlined in Annexure; and
7. A voting exclusion statement is included in the Notice.

Resolution 3 – Approval of Issue of Shares and Grant of Options to Mr Mark Pearce, a Director - Listing Rule 10.11

Resolution 3 is subject to Resolution 2 being passed and seeks Shareholder approval in accordance with Listing Rule 10.11 for the issue of up to 3,000,000 Shares at an issue price of \$0.10 each per Share and 1,500,000 free-attaching Options to Mr Mark Pearce (or his nominee). The Options are exercisable at \$0.15 each on or before 30 June 2015.

Resolution 3 is an ordinary resolution. Securities issued pursuant to this Resolution will be included in the maximum number of securities to be issued pursuant to Resolutions 2.

Pursuant to Listing Rule 10.11, a "related party" of a listed company is precluded from participating in any issue of securities in a company without a prior approval of Shareholders.

Shareholder approval is required under Listing Rule 10.11 because Mr Mark Pearce is a Director and therefore a related party of the Company. Shareholder approval is sought under Listing Rule 10.11 and as such, approval under Listing Rule 7.1 is not required.

Listing Rule 10.13 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 10.11 and the following information is included in this Explanatory Statement for that purpose:

1. The Shares and Options will be issued to Mr Mark Pearce (or his nominee) who is a director of the Company;
2. The maximum number of securities to be issued is 3,000,000 Shares and 1,500,000 free-attaching Options;
3. The Shares and Options will be issued to Mr Pearce (or nominees) within one (1) month of the date of the meeting (or such longer period of time as ASX may in its discretion approve); and,
4. The Shares will be issued at an issue price of \$0.10 each per Share with the Options being free-attaching;
5. The Shares, once issued, will rank equally with the existing Shares on issue and the Options will be issued on the Terms and Conditions outlined in Annexure A;
6. A voting exclusion statement is included in the Notice; and
7. The funds raised will be for working capital purposes.

Resolution 4 – Approval of Issue of Shares and Grant of Options to clients of Azure Capital – Listing Rule 7.1

Resolution 4 seeks Shareholder approval in accordance with Listing Rule 7.1 for the issue of up to 7,500,000 Shares at an issue price of \$0.10 each per Share and 3,750,000 free-attaching Options exercisable at \$0.15 each on or before 30 June 2015.

Resolution 4 is an ordinary resolution.

Listing Rule 7.1 provides that the prior approval of Shareholders is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

The proposed issue of Shares and Options will be to eligible investors under s708 of the Corporations Act and who are not related parties (other than as provided in Resolution 5) of the Company. This Resolution is placed before Shareholders to allow the securities to be excluded from the 15% placement capacity set out in Listing Rule 7.1.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Statement for that purpose:

1. The maximum number of securities to be issued pursuant to Resolution 4 (and including securities issued pursuant to Resolution 5) is 7,500,000 Shares and 3,750,000 Options;
2. The issue price of the Shares will be \$0.10 per Share with the Options being free-attaching;
3. The funds raised will be for working capital purposes;
4. It is anticipated that the securities will be issued and allotted progressively and in any event no later than three (3) months after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the listing rules;
5. The Shares and Options will be issued and allotted to clients of Azure Capital who are eligible investors under s708 of the Corporations Act who are not related parties (other than as provided in Resolution 5) of the Company;
6. The Shares, once issued, will rank equally with the existing Shares on issue and the Options will be issued on the Terms and Conditions outlined in Annexure A; and
7. A voting exclusion statement is included in the Notice.

Resolution 5 – Approval of Issue of Shares and Grant of Options to Mr Jeremy Shervington, a former Director – Listing Rule 10.11

Resolution 5 is subject to Resolution 4 being passed and seeks Shareholder approval in accordance with Listing Rule 10.11 for the issue of up to 750,000 Shares at an issue price of \$0.10 each per Share and 375,000 free-attaching Options to Mr Jeremy Shervington (or his nominee). The Options are exercisable at \$0.15 each on or before 30 June 2015.

Resolution 5 is an ordinary resolution. Securities issued pursuant to this Resolution will be included in the maximum number of securities to be issued pursuant to Resolutions 4.

Pursuant to Listing Rule 10.11, a "related party" of a listed company is precluded from participating in any issue of securities in a company without a prior approval of Shareholders.

Shareholder approval is required under Listing Rule 10.11 because Mr Jeremy Shervington has been a director within the last six (6) months and is therefore a related party of the Company. Shareholder approval is sought under Listing Rule 10.11 and as such, approval under Listing Rule 7.1 is not required.

Listing Rule 10.13 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 10.11 and the following information is included in this Explanatory Statement for that purpose:

1. The Shares and Options will be issued to Mr Jeremy Shervington (or his nominee) who is a former Director of the Company;
2. The maximum number of securities to be issued is 750,000 Shares and 375,000 free-attaching Options;

3. The Shares and Options will be issued to Mr Jeremy Shervington (or his nominee) within one (1) month of the date of the meeting (or such longer period of time as ASX may in its discretion approve); and,
4. The Shares will be issued at an issue price of \$0.10 each per Share with the Options being free-attaching;
5. The Shares, once issued, will rank equally with the existing Shares on issue and the Options will be issued on the Terms and Conditions outlined in Annexure A;
6. A voting exclusion statement is included in the Notice; and
7. The funds raised will be for working capital purposes.

Capital Structure of the Company upon the passing of Resolutions 2 to 5

The capital structure of the Company following successful completion of the issue and allotments of the Shares and Options the subject of Resolutions 2 to 5 (inclusive) is summarised below:

Details of Number of Shares and Options:

	Shares	Options
Current (including ratification under Resolution 1)	80,940,598	9,000,000
Resolution 2 (including Resolution 3)	10,000,000	5,000,000
Resolution 4 (including Resolution 5)	7,500,000	3,750,000
TOTAL	98,440,598	17,750,000

Resolution 6 – Section 195 Approval

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered.

Some of the Directors may have a material personal interest in the outcome of Resolutions 2 to 4 (inclusive). In the absence of this Resolution 6, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 2 to 4 (inclusive).

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon.

Resolution 6 is an ordinary resolution.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Azure Capital	means Azure Capital Pty Ltd ACN 107 416 106
Board	means the board of Directors of the Company.
Chairman	means the chairman of the Company.
Company	means Prairie Downs Metals Limited ABN 23 008 677 852.
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a director of the Company.
Explanatory Memorandum	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
Listing Rules	means the listing rules of ASX.
Notice or Notice of Meeting	means the Notice of General Meeting accompanying this Explanatory Memorandum.
Option	means an option which entitles the holder to subscribe for one Share on the terms and conditions contained in in Annexure A.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a registered holder of a Share.
WST	means Western Standard Time

ANNEXURE A
TERMS AND CONDITION OF \$0.15 OPTIONS EXPIRING 30 JUNE 2015

The Options to be issued pursuant to the Resolution will be issued on the following terms:

- (a) Each Option shall be issued for no consideration.
- (b) The exercise price of each Option will be 15 cents ("**Exercise Price**").
- (c) Each Option entitles the holder to subscribe for one Share in the capital of Prairie Downs Metals Limited ACN 008 677 852 ("**Company**") upon the payment of the Exercise Price per Share subscribed for.
- (d) The Options will lapse at 5.00 pm, WST on 30 June 2015 ("**Expiry Date**").
- (e) The Options may be transferred at any time in accordance with Section 707(3) of the Corporations Act,;
- (f) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
- (g) Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
- (h) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
- (i) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (j) The Options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
- (k) The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the Options.
- (l) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.


PRAIRIE DOWNS METALS LIMITED
ABN 23 008 677 852
PROXY FORM

The Company Secretary
 Prairie Downs Metals Limited
 Level 9 BGC Centre
 28 The Esplanade
 PERTH WA 6000
 Facsimile: +61 8 9322 6558

I/We (name of shareholder)
 of (address)
 being a member/members of Prairie Downs Metals Limited HEREBY APPOINT
 (name)
 of (address)
 and/or failing him (name)
 of (address)

or failing that person then the Chairperson of the meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held on 26 October 2011 and at any adjournment of the meeting.

PROXY INSTRUCTIONS

<p>If you wish to instruct your proxy how to vote, insert "X" in the appropriate column against the item of business set out below.</p> <p>If you do not wish to direct your proxy how to vote please place a mark in the box. By marking this box, you acknowledge that the Chairperson may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as a proxy holder will be disregarded because of that interest. The Chairperson has advised that his intention is to vote in favour of the resolutions.</p> <p>If you do not mark this box, and you have not directed your proxy how to vote, the Chairperson will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.</p>	
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Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:

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

RESOLUTION	FOR	AGAINST	ABSTAIN
1 Ratification of Issue and Allotment of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of Issue of Shares and Grant of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Issue of Shares and Grant of Options to Mr Mark Pearce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Issue of Shares and Grant of Options to clients of Azure Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of Issue of Shares and Grant of Options to Mr Jeremy Shervington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGNATURE OF SECURITY HOLDERS – PLEASE SIGN HERE

Individual or Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
Sole Director & Sole Company Secretary	Director / Company Secretary	Director

Dated this _____ day of _____ 2011

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint Shareholders, this proxy must be signed by each of the joint Shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies **must be received by the Company no later than 48 hours** before the time appointed for the holding of this General Meeting **that is by 10:00 am on 24 October 2011** by post or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) if the proxy is the Chairperson, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.
7. If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.

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