SOUTHERN EQUITY HOLDINGS LIMITED

ACN 008 031 034

NOTICE OF MEETING
AND
EXPLANATORY STATEMENT
TO SHAREHOLDERS

NOTICE IS INCLUDED FOR A
GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON
TUESDAY, 8 JUNE 2004
AT SUITE 4, LEVEL 2, 7 HAVELOCK ST, WEST PERTH, WA
AT 10.00AM

IMPORTANT INFORMATION
This is an important document that should be read in its entirety.
If you do not understand it, or any part of it,
you should consult with your professional advisers without delay.

You are encouraged to attend the meeting, but if you cannot, you are requested to complete and return the enclosed Proxy Form without delay to Southern Equities Holdings Limited at PO Box 1154, West Perth WA 6872 or by facsimile on (+61 8) 9486 4944.

NOTICE OF A GENERAL MEETING

SOUTHERN EQUITY HOLDINGS LIMITED

ACN 008 031 034

Notice is hereby given that a General Meeting of the Shareholders of Southern Equity Holdings Limited ("SEQ" or "the Company") will be held on the date and at the location and time specified below:

DATE:	Tuesday, 8 June 2004
LOCATION:	Suite 4, Level 2, 7 Havelock St, West Perth, W. Australia
TIME:	10.00am

Words and phrases used in the Resolutions are defined in the accompanying Explanatory Statement and these words and phrases have the same meaning in this Notice of Meeting as defined in the Explanatory Statement.

BUSINESS

The business to be transacted at the General Meeting is the proposal of Resolutions 1 to 3 as set out below.

RESOLUTION 1: Ratification of Issue of Shares

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

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, subsequent approval be and is hereby given to the issue to non Related Parties of the Company of 3,400,000 Shares in the Company at an issue price of $0.03 per Share raising $102,000, to strengthen the Company's financial position and provide additional working capital to allow the Company to continue to seek investment opportunities."

RESOLUTION 2: Approval to Issue of Shares

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

"That pursuant to ASX Listing Rule 7.1 and for all other purposes, approval be and is hereby given, to the allotment of 40,000,000 Shares in the Company to Mezzanine Investors at an issue price of $0.05 per Share to raise $2,000,000. The issue of Shares in the Company will occur no later than 3 months, or such later date to the extent permitted by an ASX waiver of the Listing Rules, from the date of the General Meeting."

RESOLUTION 3: Confirmation of the Appointment of Ms. Angela Dent as a Director

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

"That for the purposes of clause 52.2 of the Company's Constitution and for all other purposes, confirmation of the appointment of Ms. Angela Dent as a Director of the Company is hereby given."

VOTING EXCLUSION STATEMENT

The following voting exclusion statement applies to the Resolutions under the ASX Listing Rules or where applicable, the provisions of the Corporations Act to the following persons ("Excluded Persons"). The Company will disregard any votes on the various Resolutions cast by the following Excluded Persons:

Resolution	Title	Excluded Persons
Resolution 1	Ratification of Issue of Shares	A 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 security holder, if the resolution is passed and any Associate of any of those entities or persons.
Resolution 2	Approval to Issue of Shares	A 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 security holder, if the resolution is passed and any Associate of any of those entities or persons.

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 General 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.

Other Resolutions

There are no relevant voting restrictions imposed on any of the other Resolutions.

PROXIES

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

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

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of General Meeting as soon as possible and either:

- send the Proxy Form by facsimile to the Company on +61 8 9486 4944;
- post the Proxy Form to the Company at PO Box 1154, West Perth WA 6872; or
- deliver the Proxy Form to the registered office of the Company at Suite 4, Level 2, 7 Havelock Street, West Perth WA 6005.

Proxy Forms must be received by the Company not later than 48 hours before the time specified for the commencement of the General Meeting.

Dated this 4 May 2004

Angela Dent
Company Secretary

If you wish to discuss any aspects of this document with the Company, contact the Company Secretary, Angela Dent on telephone +61 8 9485 0140

EXPLANATORY STATEMENT TO SHAREHOLDERS
SOUTHERN EQUITIES HOLDINGS LIMITED
ACN 008 031 034

This Statement sets out information about the Resolutions to be considered by the Shareholders at the General Meeting. A short explanation of each Resolution is set out below. Defined terms used in this Statement are set out in Section 4.

1. ACTION TO BE TAKEN BY SHAREHOLDERS

The General Meeting has been convened for the purpose of passing the Resolutions in compliance with the requirements of the ASX Listing Rules and the Corporations Act. Accompanying this Statement is the Notice of Meeting convening the General Meeting and a Proxy Form.

Shareholders are encouraged to attend and vote on each of the Resolutions to be put at the General Meeting. If a Shareholder is not able to attend and vote at the General Meeting the Shareholder may complete the Proxy Form and return it to the registered office of the Company at the address which appears on the Notice of Meeting not later than 48 hours before the time specified for the commencement of the General Meeting.

2. BACKGROUND

SEQ was originally formed as a Management and Investment Licensed company ("MIC"). As an MIC, SEQ raised and invested approximately $16,000,000 between 1984 and 1988. Following the stock market crash of 1987, the Company relinquished its MIC licence in 1988 and rationalised, but continued, its investment portfolio. From 1988 to the current date the Company has continued its investment activities. SEQ listed on ASX in 1993.

In recent years the Company has held a number of different investments or interests. These investments were subsequently disposed with the Company selling the last of its remaining investments for approximately $50,000 in July 2001.

At the Company's request its Shares were suspended from ASX trading in January 2001 as, at that date, the Company proposed changing its activities. The proposed change of activities did not occur. However, the Company's Shares have remained suspended from trading. Regardless of the suspension, the Company's stated objectives have remained consistent with its original mandate to seek an appropriate investment or investments.

In December 2003, a general meeting of SEQ's shareholders approved the placement of 35,000,000 Shares at $0.03 per Share to raise $1,050,000. The purpose of the issue was to strengthen the financial position of the Company and, in particular, to allow the company to continue to seek investment opportunities. The Resolution approved by Shareholders in December 2003, provided for up to 3,000,000 of the 35,000,000 Shares to be placed with Directors and/or their Associates.

2.1 Share Capital

On 16 March 2004, the Company lodged an Appendix 3B and announced it had completed the placement of 35,000,000 shares approved by Shareholders at the 16 December 2003 General Meeting and had also allotted and issued a further 3,400,000 Shares at an issue price of $0.03 per Share proposed to be ratified by Shareholders pursuant to Resolution 1 included in the attached Notice of Meeting.

As a result of the Share placements the Company currently has the following Shares on issue:

Existing shares	12,951,000	*25.2%*
Share placements	38,400,000	*74.8%*
Total shares on issue	**51,351,000**	*100.0%*

As a result of the proposed placement of up to 40,000,000 Shares at $0.05 per Share, the Company will have a total of 91,351,000 Shares on issue. No Shareholder will hold greater than 20% of the total Shares on issue post the proposed placement of Shares pursuant to Resolution 2.

2.2 On Going Investment Strategy

It is proposed the Company's primary future investment focus will be on the resources sector. The Company will make venture capital investments in early stage resource projects and assist in developing those projects into successful operations.

SEQ's initial investment is an interest of approximately 4% in Asia Iron Holdings Limited ("AIHL"). AIHL is based in Hong Kong. The Company has subscribed for 5,000,000 shares in AIHL at HK$1.00 per share. The cost of the investment is therefore HK$5,000,000, being approximately A$860,000.

AIHL has recently formed an alliance with Western Australia iron ore miner, Mount Gibson Iron Limited ("MGI"), whereby MGI has committed to supply up to 10 Mtpa of magnetite concentrate as feed to four pellet plants AIHL proposes to build in China over the next five years.

MGI and AIHL collectively control a number of substantial magnetite deposits in the Mid West region of Western Australia where MGI is mining iron ore from its Tallering Peak hematite deposit. AIHL has applied for and is negotiating for further magnetite deposits.

To achieve AIHL's goals it will conduct further capital raisings that will dilute SEQ's percentage holding to below approximately 2%.

SEQ will seek further investment opportunities within the resources sector. The Company is currently negotiating a potential investment in a gold tailings project in the Dominican Republic, which it would also manage.

Proceeds raised from the proposed issue of Shares pursuant to Resolution 2 will provide additional working capital to allow the Company to continue to seek investment opportunities and, in particular, may be used to fund the possible investment in the gold tailings project in the Dominican Republic noted above.

2.3 Re-Instatement to the ASX Official List

The Company intends applying for re-instatement to the ASX Official List. Prior to re-instatement to the ASX Official List, in accordance with ASX Listing Rule 11.1 the Company must meet the requirements of ASX Listing Rule Chapters 1 and 2 as if the Company was applying for admission to the Official List.

Pursuant to the requirements of Chapter 1 of ASX Listing Rules, the Company will be required to issue a prospectus to raise sufficient capital to seek re-instatement of the Company's Shares on ASX and to generate sufficient funds to seek further investment opportunities. The exact amount, pricing and timing of the raising is not known at the date of this Notice of Meeting and is dependent on the Company's future investment portfolio and investment opportunities. Although the amount, pricing and timing of the raising will be at the Directors' discretion, the minimum price at which Shares are to be issued pursuant to Chapter 2 of the ASX Listing Rules is $0.20. The Company's investment portfolio and investment opportunities will be fully disclosed in the Prospectus.

In accordance with Chapter 1 of the ASX Listing Rules, the Shares issued pursuant to the placement of 35,000,000 Shares approved by Shareholders at the 16 December 2003 General Meeting, the 3,400,000 Shares issued at a price of $0.03 per Share proposed to be ratified by Shareholders pursuant to Resolution 1 and the 40,000,000 Shares proposed to be issued at a price of $0.03 per Share pursuant to Resolution 2 are likely to be restricted securities and subject to escrow provisions. For promoters or Related Parties, the escrow period will most likely be 24 months from the date on which quotation of the Shares commences and for non Related Parties the escrow period will be 12 months commencing on the date on which the Shares are issued.

2.4 Statement of Financial Position

Appendix A sets out SEQ's reviewed statement of financial position as at 31 December 2003 and a pro forma statement of financial position assuming the following:

(a) The placement of 35,000,000 Shares at $0.03 per Share approved at the 16 December 2003 General Meeting and the additional placement of a further 3,400,000 Shares at $0.03 per Share pursuant to Resolution 1 to raise a total of $1,152,000. Costs of the placements totaling approximately $30,000 have been incurred.

(b) The placement of 40,000,000 Shares at $0.05 per Share to raise $2,000,000 pursuant to Resolution 2 is complete and the cost of the placement totals $100,000.

(c) The $860,000 investment in AIHL is complete.

3. RESOLUTIONS

3.1 Resolutions 1 - Ratification of Issue of Shares

Resolution 1 relates to the ratification of the issue to non Related Parties of the Company of 3,400,000 Shares in the Company at an issue price of $0.03 per Share raising $102,000, pursuant to ASX Listing Rule 7.4.

The $102,000 raised from the issue of Shares to non Related Parties of the Company was used to provide additional working capital to allow the Company to continue to seek investment opportunities, in particular, the investment in AIHL noted in Section 2.2 above.

3.1.1 Regulatory Requirements

Pursuant to Listing Rule 7.4, where a company in a general meeting ratifies a previous issue of securities which was made without approval under Listing Rule 7.1 and the previous issue did not breach Listing Rule 7.1, those securities shall be deemed to have been made with Shareholder Approval for the purposes of ASX Listing Rule 7.1.

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder Approval pursuant to Listing Rule 7.4:
(a) 3,400,000 Shares in the Company at an issue price of $0.03 per Share, have been issued to non Related Parties of the Company pursuant to Resolution 1.
(b) All of the Shares referred to in Resolution 1 rank equally in all respects with the Existing Shares already on issue.
(c) The use of the funds raised is included in Section 3.1 above.
(d) An appropriate voting exclusion statement is included in the attached Notice of Meeting.

3.2 Resolution 2 - Approval to Issue of Shares

Resolution 2 seeks approval from Shareholders to place 40,000,000 Shares to Mezzanine Investors at an issue price of $0.05 per Share to raise $2,000,000 pursuant to ASX Listing Rule 7.1 and for all other purposes.

All funds raised through the proposed issue of Shares will be used to provide additional working capital to allow the Company to continue to seek investment opportunities, in particular, the possible investment in a gold tailings project in the Dominican Republic as noted in Section 2.2 above.

3.2.1 Regulatory Requirements

ASX Listing Rules
ASX Listing Rule 7.1 provides that a company must not without shareholder approval, subject to certain exceptions, issue during any 12 month period any equity securities, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Other Information
Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder Approval pursuant to Listing Rule 7.1:
(a) 40,000,000 Shares at an issue price of $0.05 per Share to raise $2,000,000 are proposed to be issued to Mezzanine Investors.
(b) The issue of Shares to the Mezzanine Investors pursuant to Resolution 2 will occur no later than 3 months from the date of the General Meeting or such later date to the extent permitted by an ASX waiver of the Listing Rules.
(c) At the date of this Explanatory Statement, the actual allocation of the Shares proposed to be issued to the Mezzanine Investors under Resolution 2 has not been finalised. Neither the Directors nor any of their Associates nor any other Related Party of the Company will participate in the placement of Shares pursuant to Resolution 2.
(d) All of the Shares in Resolution 2 proposed to be issued to the Mezzanine Investors will, on issue, rank equally in all respects with the Existing Shares already on issue.
(e) The use of the funds raised is included in Section 3.2 above.
(f) An appropriate voting exclusion statement is included in the attached Notice of Meeting.

3.3 Resolution 3 - Confirmation of the Appointment of Ms. Angela Dent as a Director

Resolution 3 is an ordinary resolution and provides for confirmation of the appointment of Ms. Angela Dent to the Board pursuant to the Company's Constitution.

Pursuant to clause 52.1 of the Company's Constitution, the Directors may appoint any person to be a director, either as an addition to the existing directors or to fill a casual vacancy. Under clause 52.2, a person is eligible for election to the office of a director at a general meeting and will not be taken into account in determining the number of Directors who must retire by rotation.

Ms. Angela Dent was appointed as a Director of the Company on 12 March 2004 by the Directors. Ms. Angela Dent was also appointed Company Secretary by the Board of Directors on 24 March 2004.

Ms. Angela Dent has significant financial and management experience. A brief profile is set out below.

Angela Dent CA

Angela is a Chartered Accountant who consults to a number of public and private companies as a management accountant and company secretary. She has experience in financial and management accounting, and statutory requirements, in Australia and South East Asia.

4. DEFINITIONS

In this Explanatory Statement:

AIHL is Asia Iron Holdings Limited a company based in Hong Kong.

ASIC is the Australian Securities and Investments Commission.

Associate has the meaning set out in sections 11 to 17 of the Corporations Act.

ASX is Australian Stock Exchange Limited ACN 008 624 691.

Board is the Board of Directors of the Company.

Company is Southern Equities Holdings Limited ACN 008 031 034.

Corporations Act is the Corporations Act 2001 (Cth).

Director is a director of the Company.

Existing Shares are the issued ordinary shares in the Company on issue at the date of the General Meeting.

Explanatory Statement is the explanatory statement accompanying the Notice of Meeting.

General Meeting is the meeting of the Shareholders convened for the purposes (including others) of considering the Resolutions contained in the Notice of Meeting.

Listing Rules is the Listing Rules of the ASX.

Meeting is the meeting of the Shareholders convened for the purposes (including others) of considering the Resolutions contained in the Notice of Meeting.

Mezzanine Investors are the parties to receive Shares pursuant to the placement proposed in Resolution 2 of the Notice of Meeting. At the date of this Explanatory Statement, the actual allocation of the Shares proposed to be issued to the Additional Investors under Resolution 2 has not been finalised. Neither the Directors nor any of their Associates nor any other Related Party of the Company will participate in the placement of Shares pursuant to Resolution 2.

MGI is Mount Gibson Iron Limited ACN 008 670 817.

Notice of Meeting is the notice convening the General Meeting accompanying this Explanatory Statement.

Proxy Form is the form of proxy accompanying this Notice of Meeting.

Related Party is a party so defined by section 228 of the Corporations Act.

Resolution is a resolution proposed to be passed at the General Meeting and contained in the Notice of Meeting.

Section is a section of this Explanatory Statement.

Share is a fully paid ordinary share in the Company.

Shareholder is a person entered in the Company's register as a holder of a Share.

Shareholder Approval is in relation to a Resolution approval of the shareholders of the Company in general meeting in accordance with the requirements of the Corporations Act and the Listing Rules applicable to the Resolution.

SEQ is Southern Equity Holdings Limited ACN 008 031 034.

Statement is this Explanatory Statement to Shareholders of Southern Equity Holdings Limited.

APPENDIX A

Set out below are SEQ's reviewed statement of financial position as at 31 December 2003 and a pro forma statement of financial position assuming the following:

(a) The placement of 35,000,000 Shares at $0.03 per Share approved at the 16 December 2003 General Meeting and the additional placement of a further 3,400,000 Shares at $0.03 per Share pursuant to Resolution 1 to raise a total of $1,152,000. Costs of the placements totaling approximately $30,000 have been incurred.

(b) The placement of 40,000,000 Shares at $0.05 per Share to raise $2,000,000 pursuant to Resolution 2 is complete and the cost of the placement totals $100,000.

(c) The $860,000 investment in AIHL is complete.

	Pro forma $000	31 December 2003 (Reviewed) $000
CURRENT ASSETS		
Cash	2,191	29
Receivables	25	25
	2,216	**54**
NON CURRENT ASSETS		
Investments [1]	860	-
Property, Plant and Equipment	1	1
	861	**1**
TOTAL ASSETS	**3,077**	**55**
CURRENT LIABILITIES		
Payables	231	231
Interest Bearing Liabilities [2]	200	200
	431	**431**
TOTAL LIABILITIES	**431**	**431**
NET ASSETS	**2,646**	**(376)**
EQUITY		
Contributed Equity	11,524	8,372
Reserves	180	180
Accumulated losses	(9,058)	(8,928)
TOTAL EQUITY	**2,646**	**(376)**

[1] Relates to A$860,000 investment in AIHL.

[2] The convertible note was issued on 5 December 2001. The note is convertible into 2,000,000 Shares, $0.10 per share, at the discretion of the holder. The convertible note has a coupon rate of 12% pa with interest currently being capitalised and to be paid when the principal is either converted or repaid.