
AUSTRALIA MINERALS AND MINING GROUP LIMITED

ACN 125 301 206

NOTICE OF EXTRAORDINARY GENERAL MEETING

TIME: 11am (WST)

DATE: 24 October 2011

PLACE: 3 Bay Road, Claremont, WA 6010

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) 9389 5557.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the extraordinary general meeting of the Shareholders to which this Notice of Meeting relates will be held at 11am (WST) on 24 October 2011 at:

3 Bay Road, Claremont, WA 6010

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders at 5.00pm (WST) on 22 October 2011.

VOTING IN PERSON

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

VOTING BY PROXY

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.

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 Extraordinary 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.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL OF PLACEMENT - OPTIONS

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

"That, for the purpose of Listing Rule 7.1 of the ASX Listing Rules and for all other purposes, approval be given for the Directors to allot and issue up to 41,987,501 Options 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.

2. RESOLUTION 2 – DIRECTOR PARTICIPATION IN OPTION PLACEMENT - MR RIC DAWSON

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

"That, for the purpose of 10.11 of the ASX Listing Rules and for all other purposes, approval be given for the Directors to allot and issue up to 1,000,000 Options to Mr Ric Dawson (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Ric Dawson (or his nominee) or 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.

3. RESOLUTION 3 – DIRECTOR PARTICIPATION IN OPTION PLACEMENT - MR CHRIS FORRESTER

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

"That, for the purpose of 10.11 of the ASX Listing Rules and for all other purposes, approval be given for the Directors to allot and issue up to 1,116,223 Options to Mr Chris Forrester (or his nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Chris Forrester (or his nominee) or 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.

DATED: 22 SEPTEMBER 2011

BY ORDER OF THE BOARD

**PIERS LEWIS
COMPANY SECRETARY**

EXPLANATORY STATEMENT

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.

1. RESOLUTION 1 –PLACEMENT - OPTIONS

1.1 General

As announced to the ASX on 9 September 2011, the Company proposes to undertake a pro rata non-renounceable offer on the basis of one (1) new Option for every one (1) Listed Option held by Optionholders registered on 24 October 2011 (**Record Date**) at an issue price of 0.1 cents per Option to raise approximately \$42,000 (**Entitlement Issue**).

Resolution 1 seeks Shareholder approval for the issue and allotment of up to 41,987,501 Options to subscribers under the Entitlement Issue.

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.

The effect of Resolution 1 will be to allow the Directors to issue the Options pursuant to the Entitlement Issue during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

1.2 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 Entitlement Issue:

- (a) the maximum number of Options to be issued and allotted is 41,987,501 Options;
- (b) the Options 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 Options will be allotted to holders of Listed Options in the Company on the Record Date;
- (d) the Options will be issued at 0.1 cents per Option;
- (e) the terms and conditions of the Options are set out in Schedule 1;
- (f) the related parties set out in section 5.2 below, and their associates will be entitled to participate in the pro rata Entitlement Issue and may elect to take up their respective entitlement if they are a holder of Listed Options on the Record Date; and
- (g) funds raised from the Entitlement Issue will be used to pay the costs of the issue and supplement the general working capital of the Company.

1.3 Directors' Recommendation

Mr Luke Atkins, Mr David Brook and Mr Daniel Tenardi recommend that Shareholders vote in favour of Resolution 1.

Each of Mr Ric Dawson and Mr Chris Forrester decline to make a recommendation to Shareholders in relation to Resolution 1 due to their material personal interest in the outcome of the Resolution.

2. RESOLUTIONS 2 AND 3 - DIRECTOR PARTICIPATION IN OPTION PLACEMENT

2.1 General

Subject to obtaining Shareholder approval pursuant to Resolution 1, Resolution 2 seeks Shareholder approval for the issue and allotment of up to 2,116,223 Options to Messrs Ric Dawson and Chris Forrester (or their respective nominees) (**Related Parties**) under the Entitlement Issue.

ASX Listing Rule 10.11 provides that a company may not agree to issue securities to a related party of the company without shareholder approval to that issue. The Company is seeking approval under ASX Listing Rule 10.11 to enable directors, as related parties of the Company, who hold Listed Options to be able to participate to the extent of their pro rata entitlement under the Entitlement Issue.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of 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.

On the basis that the Options that may be issued to the Directors under Resolutions 2 and 3 are being issued on the same terms and conditions as the Options that will be issued to the non-related party participants in the Entitlement Issue, approval is not being sought under Section 208 of the Corporations Act.

2.2 Technical Information required by ASX Listing Rule 10.11

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

- (a) the related parties who will be entitled to participate in the Entitlement Issue as a holders of Listed Options are Messrs Mr Ric Dawson and Mr Chris Forrester and they are related by virtue of being Directors;
- (b) the maximum number of Director Shares (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 1,000,000 Options to Mr Ric Dawson; and
 - (ii) 1,116,223 Options to Mr Chris Forrester;
- (c) the Options will be issued to the Related Parties following completion of the Entitlement Issue and in any case no later than 1 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;
- (d) the Options will be issued at 0.1 cents per Option;

- (e) the terms and conditions of the Options are set out in Schedule 1; and
- (f) funds raised from the Entitlement Issue will be used to pay the costs of the issue and supplement the general working capital of the Company.

3. ENQUIRIES

Shareholders are required to contact the Company Secretary on +61 8 9389 5557 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

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.

Company means Australia Minerals and Mining Group Limited (ACN 125 301 206).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Listed Options means an Option issued by the Company exercisable at 20c each on or before 30 October 2011 and trading on ASX under ASX code "AKAO".

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

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

Optionholder means a holder of Listed Options.

Proxy Form means the proxy form accompanying the Notice.

Record Date means 5pm (WST) on 24 October 2011.

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.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

Each Option will entitle the holder the right to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) on the following terms and conditions (**Option**).

The material terms and conditions of the Options are as follows:

- (a) the Options will be exercisable at any time prior to 5.00pm WST on 30 November 2012 (**Expiry Date**). Options not exercised on or before the Expiry Date will automatically lapse;
- (b) each Option will entitle the holder to subscribe (in respect of each Option held) for a Share at an exercise price of \$0.20 per Share (**Exercise Price**) for the life of the Option;
- (c) the Options may be exercised wholly or in part by completing an application form for Shares (**Notice of Exercise**) and delivering the Notice of Exercise to the Company's share registry together with the Exercise Price in respect of those Options at any time prior to the Expiry Date;
- (d) the Company will apply to ASX to have the Options granted Official Quotation;
- (e) upon the exercise of an Option and receipt of all relevant documents and payment of the Exercise Price, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares.
- (f) Shares issued pursuant to the exercise of an Option will be issued not more than 10 Business Days after the date of the Notice of Exercise. Within three Business Days of the date of allotment of those Shares, the Company will apply to ASX to have the Shares granted Official Quotation;
- (g) a summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to all holders of Options when the initial holding statement is sent;
- (h) there will be no participating entitlements inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, holders of Options will be afforded 6 Business Days before the record date (to determine entitlements to the issue), to exercise Options;
- (i) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the ASX Listing Rules. Subject to the Corporations Act, the ASX Listing Rules and the Constitution, the Options may be transferred at any time prior to the Expiry Date; and
- (j) The Company will, at least 20 Business Days before the Expiry Date, send notices to the Option Holders stating the name of the Option Holder, the number of Options held, the number of securities to be issued on exercise of the Options, the exercise price, the due date for payment and consequences of non-payment.

PROXY FORM

APPOINTMENT OF PROXY

AUSTRALIA MINERALS AND MINING GROUP LIMITED

ACN 125 301 206

EXTRAORDINARY GENERAL MEETING

I/We

of

being a member of Australia Minerals And Mining Limited entitled to attend and vote at the Extraordinary General Meeting, hereby

Appoint

Name of proxy

OR

☐

the Chair of the Extraordinary General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Extraordinary 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 Extraordinary General Meeting to be held at 11am (WST), on 24 October 2011 at 3 Bay Road, Claremont, WA 6010, and at any adjournment thereof.

The Chair of the Extraordinary General Meeting intends to vote undirected proxies in favour of Resolutions 1, 2 and 3.

OR

Voting on Business of the Extraordinary General Meeting

Resolution 1 –Placement - Options

Resolution 2 – Director Participation in Option Placement - Mr Ric Dawson

Resolution 3 – Director Participation in Option Placement - Mr Chris Forrester

FOR	AGAINST	ABSTAIN
☐	☐	☐
☐	☐	☐
☐	☐	☐

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 to be counted in computing the required majority on a poll.

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

Signature of Member(s):

Date: _____

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

AUSTRALIA MINERALS AND MINING GROUP LIMITED
ACN 125 301 206

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. 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.

Unless authorised by ASIC, if a member of Key Management Personnel or their Closely Related Parties is appointed as a proxy, they are not permitted to vote undirected proxies on remuneration matters (arising directly or indirectly in connection with remuneration of Key Management Personnel), related party benefit matters under Chapter 2E of the Corporations Act and any spill resolutions. However, the chair may vote a proxy that does not specify how it is to be voted, provided the member who has lodged the proxy has provided their consent in the proxy form for the chair to exercise the proxy in its discretion (save in relation to the remuneration report where a direction is required).

3. **(New sections 250BB and 250BC of the Corporations Act):** These sections 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 Extraordinary 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 are 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.

4. (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.

5. (Attending the Meeting): Completion of a Proxy Form will not prevent individual members from attending the Extraordinary General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Extraordinary 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 Extraordinary General Meeting.

6. (Return of Proxy Form): To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Australia Minerals and Mining Group Limited, 3 Bay Road, Claremont, WA 6010; or
- (b) facsimile to the Company on facsimile number +61 8 9389 5510; or
- (c) email to the Company at jane@ammg.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.