



NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM AND EXPLANATORY MEMORANDUM

DATE OF MEETING

Thursday, 29 November 2012

TIME OF MEETING

3.00pm WST

PLACE OF MEETING

Suite 6, Level 2, 20 Kings Park Road,
West Perth, Western Australia

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

notice of annual general meeting

NOTICE IS HEREBY GIVEN that an Annual General Meeting ("AGM") of the Shareholders of Energia Minerals Limited ("Company") will be held at Suite 6, Level 2, 20 Kings Park Road, West Perth, Western Australia on Thursday, 29 November 2012 at 3.00pm WST.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting.

Please note terms used in the Resolutions contained in this Notice of Annual General Meeting have the meaning given to them in the glossary contained in the Explanatory Memorandum.

BUSINESS

1. Financial Report

To receive and consider the Financial Statements, Directors' Report (including the remuneration report) and Auditor's Report for the Company and its controlled entities for the year ended 30 June 2012.

Note: There is no requirement for shareholders to approve these reports.

ORDINARY BUSINESS – RESOLUTIONS

2. Resolution 1 – Adoption of Remuneration Report

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

"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2012 be adopted."

Note: This resolution is advisory only and does not bind the directors or the Company.

Voting Prohibition: In accordance with the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of the following persons:

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

However, a person described above may cast a vote on Resolution 1 if the person:

- (c) does so as a proxy appointed by writing that specifies how the proxy is to vote on this resolution or in the case of the Chair does so as a proxy and the appointment 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; and
- (d) the vote is not cast on behalf of a person described in sub-paragraphs (a) and (b) above.

3. Resolution 2 – Re-Election of Mr Max Cozijn as a Director

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

"That Mr Max Cozijn, who retires as a Director of the Company in accordance with Clause 78 of the Company's constitution and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director of the Company."

4. Resolution 3 – Re-Election of Mr Antonino “Tony” Iannello as a Director

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

“That Mr Antonino “Tony” Iannello, who retires as a Director of the Company in accordance with Clause 78 of the Company’s constitution and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director of the Company.”

5. Resolution 4 – Issue of Options to Mr Kim Robinson under the 2011 Employee Incentive Plan

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 and Listing Rule 10.14 and for all other purposes, the shareholders approve the issue of 12,000,000 Options under the terms of the Plan and on the terms and conditions set out in the attached Explanatory Memorandum to Mr Kim Robinson (or his nominee or nominees).”

Voting Prohibition: In accordance with the Corporations Act, a vote on Resolution 4 must not be cast by a person appointed as a proxy if:

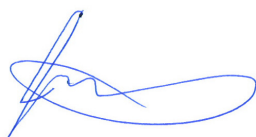
- (a) the proxy is either:
 - i. a member of the Key Management Personnel for the Company; or
 - ii. a Closely Related Party of a member of the Key Management Personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 4.

However, the above prohibition does not apply if:

- (a) the proxy is the chair of the meeting; and
- (b) the appointment 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.

Voting Exclusion: In accordance with ASX Listing Rule 10.14, and without limiting the voting prohibition set out above, the Company will disregard any votes cast on Resolution 4 by a Director (except one who is ineligible to participate in any employee incentive scheme of the Company) and any associate of such Directors. However, the Company need not disregard a vote if it is cast by a person as proxy for another person who is entitled to vote, in accordance with the direction on the proxy form, or the vote 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.

By Order of the Board



Jamie Armes
Company Secretary

26 October 2012

proxies

1. A Proxy Form is enclosed with this Notice of Annual General Meeting.
2. A member may appoint not more than 2 proxies. A proxy need not be a member.
3. Where a member appoints 2 proxies and does not specify the proportion or number of the member's votes each proxy may exercise half of the member's rights.
4. An instrument appointing a proxy may not be treated as valid unless the instrument, and the power of attorney or other authority (if any) under which the instrument is signed or proof of the power or authority to the satisfaction of the directors is or are deposited at the Company's registered office not less than 48 hours before the time for the holding of the particular meeting or adjourned meeting as the case may be at which the person named in the instrument proposes to vote.
5. Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be received by the Company no later than 48 hours before the time fixed for holding the meeting. Proxy forms can be delivered:
 - a) In person to the Company's registered office Level 2, 20 Kings Park Road, West Perth, Western Australia 6005;
 - b) In person to Security Transfer Registrars Pty Ltd, Alexandria House, Suite 1, 770 Canning Highway, Applecross, Western Australia 6153;
 - c) Post to Security Transfer Registrars Pty Ltd, PO Box 535, Applecross, Western Australia 6953, or
 - d) Facsimile to Security Transfer Registrars Pty Ltd on facsimile number (08) 9315 2233.
6. An instrument appointing a proxy must be in writing under the hand of the appointor or of the appointor's attorney duly authorised in writing or, if the appointer is a body corporate, by a director jointly with either another director or company secretary or if the company has only a sole director by the sole director, or by the company's duly authorised attorney.
7. Recent changes to the law have impacted on the way proxies vote at company meetings. Broadly, these changes include that:
 - a) if a proxy holder votes, they must cast all directed proxies as directed; and
 - b) any directed proxies which are not voted will automatically default to the Chairman who must vote the proxies as directed.
8. The Chairman will vote undirected proxies in favour of Resolutions 2 and 3. In respect of Resolutions 1 and 4, Shareholders should refer to the important information below under the heading "Important information concerning proxy votes on Resolutions 1 and 4".

Please consult your professional adviser for further details.

IMPORTANT INFORMATION CONCERNING PROXY VOTES ON RESOLUTIONS 1 AND 4

The Corporations Act now places certain restrictions on the ability of Key Management Personnel and their Closely Related Parties to vote on the advisory resolution to adopt the Company's Remuneration Report and resolutions connected directly or indirectly with the remuneration of the Company's Key Management Personnel. At this year's Annual General Meeting, the new laws will impact on Resolutions 1 and 4.

If the Chair is appointed, or taken to be appointed, as your proxy, you can direct the Chair to vote 'for' or 'against', or 'abstain' from voting on, Resolution 1 and 4 on the Proxy Form. If you appoint a member of Key Management Personnel of the Company (other than the Chairman) or their Closely Related Parties as your proxy, you must direct them how to vote on Resolutions 1 and 4. If you do not do so, you risk your vote not being cast.

For these reasons, Shareholders are encouraged to direct their proxy as to how to vote on all resolutions.

VOTING ENTITLEMENTS

For the purposes of section 1074E(2) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that the shareholding of each person for the purposes of determining entitlements to attend and vote at the meeting will be the entitlement of that person set out in the Company's register as at 3.00pm WST on Tuesday, 27 November 2012. Accordingly, transactions registered after this time will be disregarded in determining entitlements to attend and vote at the meeting.

explanatory memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Suite 6, Level 2, 20 Kings Park Road, West Perth, Western Australia on Thursday, 29 November 2012 at 3.00pm WST.

The Directors recommend Shareholders read this Explanatory Memorandum and the Notice of Annual General Meeting 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 meaning given to them in the glossary contained in this Explanatory Memorandum.

1. ANNUAL REPORT 2012

Section 317 of the Corporations Act requires the directors of the Company to lay before the Meeting the Financial Statements, Directors' Report (including the Remuneration Report) and the Auditor's report for the last financial year that ended before the AGM.

In accordance with section 250S of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to those reports but no formal resolution to adopt the reports will be put to Shareholders at the AGM (save for Resolution 1 for the adoption of the Remuneration Report).

Shareholders will be given an opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report. In addition to taking questions at the meeting, written questions to the Chairman about the management of the Company, or the Company's auditor about the finances of the Company may be submitted no later than 5 business days before the Meeting to the registered office of the Company.

A copy of the Annual Report 2012 is available at www.energiaminerals.com within Company Reports in the Investor Centre section of the website.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 298 of the Corporations Act requires that the Directors' Report contain a Remuneration Report prepared in accordance with section 300A of the Corporations Act.

By way of summary, the Remuneration Report:

- (a) discusses the Company's policy and the process for determining the remuneration of its directors, including the Managing Director and employees;
- (b) addressed the relationship between the remuneration of the Company's executive officers and the performance of the Company, and
- (c) sets out remuneration details for each Director and each of the Key Management Personnel of the Company named in the Remuneration Report for the financial year ended 30 June 2012.

Shareholders are entitled to vote on the question as to whether the Remuneration Report as contained in the Annual Report for the year ended 30 June 2012 is to be adopted. Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted.

Pursuant to section 250R(3) of the Corporations Act, shareholders should note that Resolution 1 is of an advisory nature only and does not bind the Directors or the Company.

In accordance with section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report at the meeting.

The Corporations Act, provides that if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company’s Directors (other than the Managing Director) who were in office at the date of the approval of the applicable Directors’ report must stand for re-election.

If you intend to appoint a member of the Company’s Key Management Personnel (including any Director of the Company or the Chairman) or their Closely Related Parties as your proxy, please refer to the important information contained in the Notice of Meeting under the heading “Important information concerning proxy votes on Resolutions 1 and 4”.

3. RESOLUTION 2 – RE-ELECTION OF MR MAX COZIYN AS A DIRECTOR

Clause 78 of the Company’s Constitution provides that a Director (other than the Managing Director) may not hold office for a continuous period in excess of 3 years or past the third annual general meeting following the Director’s appointment, whichever is the longer, without submitting for re-election. If no Director would be required to submit for re-election, the Director or Directors to retire at the annual general meeting are those who have been longest in office since their election.

Mr Cozijn retires from office in accordance with this requirement, and being eligible, offers himself for re-election as a director of the Company.

A brief profile of Mr Cozijn is set out below:

Mr Max D J Cozijn BCom, CPA, MAICD

Mr Cozijn has a Bachelor of Commerce Degree from the University of Western Australia having graduated in 1972, is a member of CPA Australia and is a member of the Australian Institute of Company Directors. He has over 30 years’ experience in the administration of listed mining and industrial companies, as well as various private operating companies.

Mr Cozijn is the chairman of the Audit Committee.

During the past three years Mr Cozijn has also served as a director of the following listed companies:

- Carbon Energy Ltd* - appointed September 1992;
- Oilex Ltd* - appointed September 1997;
- Malagasy Minerals Limited* - appointed September 2006, and
- Magma Metals Ltd - appointed June 2005 and resigned 26 June 2012.

* denotes current directorship

The non-candidate Directors unanimously support the re-election of Mr Cozijn and recommend that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF MR ANTONINO ‘TONY’ IANNELLO AS A DIRECTOR

Clause 78 of the Company’s Constitution provides that a Director (other than the Managing Director) may not hold office for a continuous period in excess of 3 years or past the third annual general meeting following the Director’s appointment, whichever is the longer, without submitting for re-election. If no Director would be required to submit for re-election, the Director or Directors to retire at the annual general meeting are those who have been longest in office since their election.

Mr Iannello retires from office in accordance with this requirement, and being eligible, offers himself for re-election as a director of the Company.

A brief profile of Mr Iannello is set out below:

Mr Antonio ‘Tony’ Iannello BCom, FCPA, SFFin, FAICD

Mr Iannello is a highly experienced company director with more than 35 years’ experience in the banking, finance and energy sectors. Mr Iannello is a former Managing Director and Chief Executive Officer of Western Power Corporation (the Western Australian power utility) and has had a distinguished career in banking.

Mr Iannello is a graduate of the Harvard Business School Advanced Management Program.

Mr Iannello currently chairs the boards of HBF Health Fund, MG Kailis Group and Intium Energy Ltd and is also a Director of SP Ausnet, a major ASX listed energy network company based in Melbourne, and the Brisbane based retailer/generator ERM Power Ltd.

Mr Iannello is the chairman of the Remuneration Committee and Nomination Committee.

During the past three years Mr Iannello has served as a director of the following listed companies:

- SP Ausnet Group of companies* (SP Australian Networks (Distribution) Ltd, SP Australian Networks (Transmission) Ltd and SP Australian Networks (RE) Ltd) – appointed 6 June 2006; and
- ERM Power Ltd* - appointed 19 July 2010, and
- Aviva Corporation Ltd - appointed 27 February 2008 and resigned 17 November 2010.

* denotes current directorship

The non-candidate Directors unanimously support the re-election of Mr Iannello and recommend that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – ISSUE OF OPTIONS TO MR KIM ROBINSON

5.1. Background to Resolution 4

The Company has agreed as a term of Mr Robinson's appointment as Managing Director of the Company, subject to obtaining Shareholder approval, to allot and issue the following number of Options to Mr Robinson (or his nominee) pursuant to the Plan and on the terms and conditions set out below:

No. of Options	Vesting Date	Exercise Price	Expiry Date
4,000,000	Date of Grant	\$0.10	30 April 2017
4,000,000	30 April 2013	\$0.20	30 April 2017
4,000,000	30 April 2014	\$0.30	30 April 2017

The key terms of the Options to be issued to Mr Robinson (or his nominee) will be the same as any other Option granted under the Plan. The Plan was approved by Shareholders on 17 November 2011. For a summary of the Plan, refer to Annexure A.

5.2. Reasons for the grant of Options to Mr Robinson

Each Option proposed to be issued is exercisable into one Share upon payment of the exercise price. The Options will only be exercisable after reaching their vesting date but must be exercised before their expiry date. Unexercised Options will lapse on their expiry date.

The Board made the decision to issue the Options to Mr Robinson as an incentive for him in agreeing to accept the position of Managing Director of the Company. The terms of the Options have been structured to recognise his future contribution to the Company whilst providing an incentive that is aligned with increasing Shareholder value. The Board considers the grant of the Options as a cost effective method of providing an incentive for his ongoing commitment and contribution to the Company whilst maintaining the Company's cash reserves.

In determining the terms and number of Options to be granted the Board took into account the remuneration package offered to Mr Robinson on accepting the position as Managing Director of the Company (details of which is set out below).

5.3. Requirement for Shareholder Approval

In accordance with Listing Rules 10.14 and 10.15, Resolution 4 requires Shareholder approval for the grant of Options to Mr Robinson.

Chapter 2E of the Corporations Act also requires Shareholder approval where a public company seeks to give a "financial benefit" to a "related party". Directors are considered to be related parties within the meaning of the Corporations Act. The Options to be granted to Mr Robinson will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act. While the Board believes the offer of Options is reasonable, it considers it prudent to obtain approval for this purpose. Accordingly Resolution 4 also seeks Shareholder approval of the grant of Options to Mr Robinson in accordance with Chapter 2E of the Corporations Act.

5.4. Valuation of Options

Under the Corporations Act, the Company is required to attribute a value to the Options to be issued to Mr Robinson.

The Options will not be listed on any stock exchange and so there is no readily ascertainable market value of the Options. Accordingly, in such circumstances ASIC has indicated that option value should be determined in accordance with accounting standard AASB 2 (Share Based Payments). The Board notes that the value of options can vary significantly depending on the methodology used and the assumptions made and any one particular valuation methodology is not necessarily representative of the actual value of the Options

In accordance with the requirements of accounting standard AASB 2, the indicative value of the Options as at 8 October 2012 (being the latest practicable date prior to printing of this document) is set out below and was calculated using the Black and Scholes option pricing model ("**B&S Model**"):

Total Number of Options	Total Value using the B&S Model
12,000,000	\$228,400

The B&S Model is based on a number of assumptions, including an assumption that the Options being valued are American call options, in that they can be exercised at any time on or before the expiry date. In addition, the B&S Model assumes that there is a liquid market for the Options. Because the B&S Model assumes a liquid market, the amount calculated by the B&S Model represents a maximum theoretical value. In assessing the indicative fair value of the Options, no discount has been applied for this lack of marketability (on the basis that the Options will be unquoted and only transferable under certain conditions, please see Annexure A).

Set out below are the specific assumptions and variables relied upon in calculating the indicative value set out above:

Assumptions

- that the Options are American call options (i.e. they can be exercised at any time prior to the expiry date);
- there are no transaction costs, options and shares are infinitely divisible, and information is available to all without cost;
- short selling is allowed without restriction or penalty;
- the risk free interest rate is known and constant throughout the duration of the option contract; and
- the underlying shares do not currently pay a dividend.

Variables¹

- Share price of \$0.041 (based on the weighted average price of the Company's Shares over the last 28 trading days prior the last practicable date before lodgement of this Notice of Meeting with ASIC on 9 October 2012);
- a risk free interest rate of 2.96%;
- Forecast volatility of 96%;
- Exercise price of \$0.10, \$0.20 and \$0.30;
- Expiry date of 30 April 2017; and
- Life of options approximately 55 months.

NOTES:

1. Any change in the variables applied in the B&S Model between the date of the valuation and the date the Options are issued would have an impact on their value.

5.5. Other implications for the Company

Financial Implications

Australian International Financial Reporting Standards require the Options to be expensed which is guided by AASB 2 – Share Based Payments. In accordance with AASB 2, these Options have commenced being expensed in the financial year ended 30 June 2012 and will continue to be expensed over the period of vesting.

Expensing the Options will have the effect of increasing both the expenses and contributed equity of the Company. Whilst there will be a reduction in profit, there will be no impact on the net assets or the cash position or financial resources of the Company as a result of expensing the Options.

Presently, as far as the Company is aware there should be no material tax implications for the Company in issuing these Options.

Dilution

The Company presently has 109,500,005 Shares and 20,150,000 Options on issue. The grant of the Options to Mr Robinson will have a dilutionary effect on the percentage interest of existing Shareholders' holdings if all Options are exercised.

The dilutionary effect if all the Options proposed to be granted to Mr Robinson are exercised would amount to approximately 9.88% of the Company's current issued Shares as detailed below:

	Proforma Assuming Exercise of Options Number
Current Shares on Issue	109,500,005
Potential Shares on Exercise of Options:-	
- Mr Robinson, Resolution 4	12,000,000
Potential Shares on issue post exercise	121,500,005
Existing Shareholders % post exercise	90.12%

If the Options are exercised by Mr Robinson, the value of the Company's Shares may also be diluted. If the Share price is higher than the exercise price the value will be diluted as Mr Robinson will be paying a lower price for the Shares when they exercise the Options. In this regard, it is considered unlikely that the Options will be exercised if the Company's Share price is lower than the exercise price.

The Board notes that the process of exercising the Options will result in the Company raising additional funds for working capital purposes.

As the options are to be issued as part of Mr Robinson's remuneration package for accepting the position of Managing Director of the Company, as announced to ASX on 13 April 2012, if Shareholders do not approve their issue the Company will negotiate with Mr Robinson a revised remuneration proposal to address any such shortfall. If such agreement cannot be agreed, then Mr Robinson may terminate his employment with the Company and become entitled to a severance payment equal to 6 months' salary provided that the severance payment cannot exceed the amount that can be paid pursuant to the Corporations Act and the ASX Listing Rules without obtaining shareholder approval.

5.6. Additional statutory and Listing Rule disclosures

Corporations Act Chapter 2E approval

In accordance with section 219 of the Corporations Act, the following information is provided to Shareholders to enable them to assess the proposed grant of Options to Mr Kim Robinson:

- Mr Robinson, being a Director of the Company, is a related party to whom a financial benefit would be given if Resolution 4 is passed.
- The proposed financial benefit to be given to Mr Robinson is the issue of Options for no consideration as detailed above. The full terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.
- Mr Robinson declines to make a recommendation to Shareholders in relation to Resolution 4 due to his interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4.
- The table below illustrates the current relevant interests of Mr Robinson in the Company's securities as at the date of this Notice:

Director	Relevant Interest
Mr Robinson	Direct 100,000 ordinary shares
	Indirect¹ 2,709,270 ordinary shares

NOTES:

- The indirect interest is held by Kim & Jennifer Robinson as trustee for the Kim Robinson Superannuation Fund.

- e) Mr Robinson's current annual remuneration (including superannuation) and the total financial benefit proposed as a result of the issue of the Options the subject of Resolutions 4 is as follows:

Director	Cash salary \$	Super \$	Total remuneration \$
Mr Robinson	275,229	24,771	300,000

Financial year	Value of proposed Options ¹ \$
30 June 2012	136,303
30 June 2013	66,411
30 June 2014	25,686
Total	\$228,400

NOTES:

1. Details regarding the valuation methodology are provided in section 5.4 above.

- f) The following table gives details of the highest, lowest and latest closing price of the Shares trading since quotation in the 12 months before the last practicable date before lodgement of this Notice of Meeting with ASIC on 9 October 2012:

	Price (\$)	Date
Highest	\$0.085	19/10/2011
Lowest	\$0.030	3/10/2012
Last	\$0.033	8/10/2012

- g) Using the assumed Option value derived from the B&S Model set out above, the estimated impact of the issue of Options on the Company's income statement for the financial years ended 30 June 2012, 30 June 2013 and 30 June 2014 under Resolution 4 would be the recognition of a share based payment expense of \$136,303, \$66,411 and \$25,686 respectively. The ultimate impact on the Company's income statement will be dependent on the Option value at the date Shareholder approval is obtained.

Listing Rule 10.14

Listing Rule 10.14 provides that a company must not permit any director or their associates to acquire securities under an employee incentive scheme without first obtaining the approval of shareholders by ordinary resolution. As Resolutions 4 relates to the issue of securities to a Director under the Plan, Shareholder approval must be obtained.

Listing Rule 10.15 requires the following information to be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 10.14:

- The Options will be granted to Mr Robinson (Managing Director of the Company) or his nominee(s).
- Subject to Shareholder approval, the maximum number of Options to be granted to Mr Robinson is 12,000,000.
- The Options will be issued for nil consideration.
- The exercise prices of the Options will be the 4,000,000 Options at \$0.10, 4,000,000 Options at \$0.20 and 4,000,000 Options at \$0.30.
- The Options will all expire on 30 April 2017.
- The Options are also subject to vesting conditions as specified in this Explanatory Memorandum.
- Since the Plan was approved by Shareholders on 17 November 2011, 750,000 Options exercisable at \$0.15 per Option were issued to Dr Bettenay under the Plan.
- Mr Robinson and Dr Bettenay are the only persons referred to in Listing Rule 10.14 (a director of the Company or an associate of that director) currently eligible to participate in the Plan as they are the only Executive Directors of the Company. Subject to any required Shareholder approval, future Executive Directors of the Company will be eligible to participate in the Plan.

- i) No loans will be made by the Company in connection with the acquisition of the Options by Mr Robinson.
- j) The Options will not be granted under the Plan later than 12 months from the date of the Meeting without obtaining further Shareholder approval. It is anticipated that the Options will be granted in 1 tranche before 31 December 2012.

A voting exclusion and prohibition statement for Resolution 4 is included in the Notice of Meeting.

5.7. Other Information

The Company is not aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolution 4.

5.8. Directors' recommendation and proxy voting

The Board, other than Mr Robinson, recommends that Shareholders vote in favour of Resolution 4. Being the recipient of the proposed grant, it is not appropriate for Mr Robinson to make a recommendation.

If you intend to appoint a member of the Company's Key Management Personnel (including any director of the Company or the Chairman) or their Closely Related Parties as your proxy, please refer to the important information contained in the Notice of Meeting under the heading "Important information concerning proxy votes on Resolutions 1 and 4".

GLOSSARY

“ASIC” means the Australian Securities and Investments Commission;

“ASX” means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

“Board” means the board of Directors of the Company;

“Closely Related Party” of a member of the key management personnel means:

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

“Company” means Energia Minerals Limited ABN 63 078 510 988;

“Corporations Act” means the Corporations Act 2001 (Cth);

“Director” means a current director or alternate director of the Company;

“Explanatory Memorandum” means this Explanatory Memorandum attached to the Notice;

“Incentives” means Performance Rights and Options;

“Key Management Personnel” has the same meaning as in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any directors of the Company.

“Listing Rules” means the Listing Rules of ASX;

“Meeting” means the general meeting the subject of this Notice;

“Notice”, “Notice of Meeting” and **“Notice of Annual General Meeting”** means the notice of meeting which accompanies this Explanatory Memorandum;

“Option” means an option to acquire a Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the Plan;

“Plan” means the 2011 Employee Incentive Plan approved by Shareholders on 17 November 2011;

“Performance Right” means an entitlement to one Share, subject to vesting and satisfaction of any performance conditions, granted in accordance with the Plan;

“Remuneration Report” means the remuneration report prepared in accordance with section 300A of the Corporations Act;

“Resolution” means a resolution referred to in the Notice;

“Share” means a fully paid ordinary share in the Company;

“Shareholder” means a shareholder of the Company; and

“WST” means Australian Western Standard Time.

ANNEXURE A

SUMMARY OF 2011 EMPLOYEE INCENTIVE PLAN (PLAN)

The key features of the Plan and the proposed terms of the Options the subject of Resolution 4 are summarised below.

<i>Eligible participants:</i>	The following will be eligible to be granted Incentives under the Plan: • full and part time employees of any Energia group company (wherever they reside), including any director of any Energia group company who holds salaried employment or office in a group company; and • subject to the Company obtaining any necessary ASIC relief to extend the operation of ASIC Class Order 03/184 to them, any contractor (whether an individual or a company) who is eligible in accordance with the terms of the Plan and has been declared by the Board to be an eligible participant for the purpose of the Plan. Non-executive directors and casual employees will not be eligible to participate in the Plan. Further regulatory requirements for executive directors or employees residing outside Australia may apply. Eligible participants may renounce any offer of Incentives under the Plan to a nominee if such renunciation is approved by the Board. Mr Robinson is a full time executive director of the Company and so is eligible to participate in the Plan.
<i>Entitlement for Performance Rights:</i>	Subject to the terms of the Plan, vesting and the satisfaction of any performance conditions, each Performance Right entitles the holder to receive one fully paid ordinary share in the Company.
<i>Exercise price for Performance Rights:</i>	There is no consideration payable upon the grant or exercise of a Performance Right.
<i>Entitlement for Options:</i>	Subject to the terms of the Plan, vesting and the satisfaction of any performance conditions, each Option entitles the holder to acquire (whether by purchase or subscription) and be allotted one fully paid ordinary share in the Company on the exercise of the Option. Subject to Resolution 4 being passed, Mr Robinson will be granted Options under the Plan.
<i>Exercise price for Options:</i>	There is no consideration payable upon the grant of an Option. The exercise price of an Option will be determined by the Board in its absolute discretion.
<i>Vesting Conditions:</i>	The Board, at the time of the grant of an Incentive under the Plan, will determine what (if any) vesting conditions need to be satisfied before the Incentives may be exercised.

Vesting on change of control: The Board has absolute discretion to determine that all or a portion of Incentives that remain subject to a vesting condition immediately vest and are received or become exercisable by the Participant in the event that:

- a takeover bid is made for the Company;
- another corporate transaction is pursued (such as a scheme of arrangement, selective capital reduction etc) which results in the bidder acquiring voting power to more than 50% of the Company; or
- the Board determines, acting in good faith and consistent with its fiduciary duties, that a person has obtained voting power which is sufficient to control the composition of the Board of the Company.

Incentives will lapse on their expiry date.

Vesting in other circumstances: The Board may permit a participant to exercise Incentives or have such Incentives vested, in other limited situations, such as where a resolution is passed approving the disposal of the Company's main undertaking or on a winding up of the Company.

Expiry Date: The Board will set out in an invitation to participate in the Plan the date and times when any Incentives lapse.

Impact of cessation of employment: Treatment of Incentives on Cessation of Employment:

Cause	Incentives which have not vested	Incentives which have vested
Termination for ill health or death	Immediately lapse unless Board determines otherwise	May be exercised (in the case of ill health) by the participant, or (in the case of death) by the participant's personal representative, until the Incentive lapses
Termination for cause (e.g. fraud, dishonesty, material breach of obligations)	Immediately lapse	Right to exercise is immediately suspended for 14 days. During this period, the Board may lift the suspension and allow the Incentives to be exercised for a period ending no later than the date the Incentive lapses. If the Board does not lift the suspension, the Incentives will immediately lapse at the end of the suspension period
Termination by consent (e.g. resignation)	Immediately lapse unless Board determines otherwise	May be exercised until the Incentive lapses
Redundancy, constructive dismissal, other termination by Company not dealt with above	Immediately lapse unless Board determines otherwise	May be exercised until the Incentive lapses

<i>Exercise into acquirer shares:</i>	Subject to the Listing Rules, the Plan provides flexibility for the Company to agree with any successful acquirer of the Company to an arrangement whereby Incentives will become exercisable or vest into shares of the successful acquirer or its parent in lieu of Company Shares. Any such exercise or vesting will be on substantially the same terms and subject to substantially the same conditions as the holder may exercise or vest Incentives to acquire Shares, but with appropriate adjustments to the number and kind of shares subject to the Incentives, as well as to any exercise price.
<i>Transferability:</i>	Incentives are only transferable upon a takeover bid where the Incentives are transferred to the bidder, upon a scheme of arrangement where the Incentives are transferred to the acquirer, by force of law upon death of the Incentive holder or upon bankruptcy of the Incentive holder, or otherwise with the consent of the Board.
<i>Right to participate in dividends:</i>	Incentives will not entitle the holder to any dividends (or Shares or rights in lieu of dividends) declared or issued by the Company.
<i>Adjustment for rights issues:</i>	The exercise price of Incentives (if applicable) will be adjusted in the manner provided by the Listing Rules in the event of the Company conducting a rights issue prior to the exercise and lapse of the relevant Incentive.
<i>Other rights to participate in bonus issues, reorganisations and new issues etc:</i>	If the Company completes a bonus issue during the term of an Incentive, the number of Shares the holder is then entitled to will be increased by the number of Shares which the holder would have been issued in respect of Incentives if they were exercised (in the case of Options) or are vested and are received (in the case of Performance Rights) immediately prior to the record date for the bonus issue. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Incentives to which the holder is entitled or the exercise price of the Incentives (if applicable), or both as appropriate, will be adjusted in the manner provided for in the Listing Rules. Subject to the terms of the Plan and as otherwise set out above, during the currency of the Incentives and prior to their exercise (in the case of Options) or vesting and receipt (in the case of Performance Rights), the holder is not entitled to participate in any new issue of securities of the Company as a result of their holding the Incentives.
<i>Listing:</i>	The Incentives will not be listed.
<i>Board discretion:</i>	The Board has power to determine the appropriate procedures for administration of the Plan in accordance with its terms. Notwithstanding the Board's current policy, under the terms of the Plan, the Board has absolute discretion to determine the exercise price, the expiry date and vesting conditions of any grants made under the Plan, without the requirement for further Shareholder approval.

energia minerals

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T: +61 8 9321 5000

F: +61 8 9321 7177

E: info@energiaminerals.com

W: www.energiaminerals.com

ABN: 63 078 510 988

ASX: EMX

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

ENERGIA MINERALS LIMITED

REGISTERED OFFICE:
LEVEL 2
20 KINGS PARK ROAD
WEST PERTH WA 6005

ABN:63 078 510 988

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: EMX

Holder Number:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

OR

The meeting Chairperson
(mark with an "X")

The name of the person you are appointing
(if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson of the Meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 3.00pm WST on Thursday 29 November 2012 at Suite 6, Level 2, 20 Kings Park Road, West Perth, Western Australia and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on Items 1 and 4 which are remuneration related resolutions: Where I/we have appointed the Chairman as my/our proxy (or where the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1 and 4** (except where I/we have indicated a different voting intention below) even though **Items 1 and 4** are connected directly or indirectly with the remuneration of a member of key management personnel (which includes the Chairman).

The Chairman of the Meeting intends to vote all undirected proxies in favour of each item of business at the Meeting.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Resolution

For Against Abstain*

1. Adoption of Remuneration Report.

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☐

2. Re-Election of Mr Max Cozijn as a Director.

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☐
☐

3. Re-Election of Mr Antonino "Tony" Iannello as a Director.

☐
☐
☐

4. Issue of Options to Mr Kim Robinson under the 2011 Employee Incentive Plan.

☐
☐
☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

The Chairman of the Meeting intends to vote all undirected Proxies in favour of each Resolution.

* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Please Sign Below

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

2499543332

Reference Number:

1

EMX

1

My/Our contact details in case of enquiries are:

NAME

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TELEPHONE NUMBER

(			)																
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NOTES

1. Name and Address

This is the name and address on the Share Register of ENERGIA MINERALS LIMITED. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairperson of the Meeting as your Proxy please mark "X" in the box in Section A.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a Shareholder of ENERGIA MINERALS LIMITED.

3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by telephoning the Company's share registry +61 8 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- (b) Return both forms in the same envelope.

5. Signing Instructions

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, 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, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than 3.00 pm WST on Tuesday 27 November 2012, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

Security Transfer Registrars Pty Ltd
PO BOX 535
Applecross, Western Australia 6953

Street Address:
Alexandrea House, Suite 1
770 Canning Highway
Applecross, Western Australia 6153

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.