Notice of Annual General Meeting and Explanatory Memorandum

AusNiCo Limited
ACN: 122 957 322

Date of Meeting: 25 November 2010

Time of Meeting: 2.00pm (Brisbane time)

Place of Meeting: Level 7, Waterfront Place, 1 Eagle Street, Brisbane QLD, 4000

Notice is given that the next Annual General Meeting of Shareholders of **Ausnico Ltd ACN 122 957 322 (Company)** will be held at the offices of HopgoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street Brisbane on Thursday 25 November 2010 at 2pm (Brisbane time).

Agenda

ORDINARY BUSINESS

1. Annual Financial Report

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Income Statements, Balance Sheets, Statement of Changes in Equity, Statement of Cashflows and notes to and forming part of the accounts for the Company for the financial year ended 30 June 2010.

See Explanatory Statement below for further information.

2. Resolution 1 – Remuneration Report

To consider and, if thought fit, pass the following Advisory Resolution:

"That, the Remuneration Report for the year ended 30 June 2010 (as set out in the Directors' Report) is adopted."

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

3. Resolution 2 - Re-Election of Brian Moller as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

"That in accordance with Article 38.1(a) of the Company's Constitution, Brian Moller, who retires in accordance with the Company's Constitution and, being eligible for re-election offers himself for re-election, be re-elected as a Director of the Company."

See Explanatory Statement below for further information.

4. Resolution 3 – Confirmation of the Appointment of Stephen Roberts as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

"That in accordance with Article 36.2 of the Company's Constitution, Stephen Roberts, who retires in accordance with the Company's Constitution and, being eligible for re-election offers himself for re-election, be re-elected as a Director of the Company."

See Explanatory Statement below for further information.

5. Resolution 4 – Confirmation of the Appointment of John Downie as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

"That in accordance with Article 36.2 of the Company's Constitution, John Downie, who retires in accordance with the Company's Constitution and, being eligible for re-election offers himself for re-election, be re-elected as a Director of the Company."

See Explanatory Statement below for further information.

6. Resolution 5 – Appointment of Auditor

To consider and, if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

"That in accordance with Section 327B of the Corporations Act, BDO Kendalls Audit & Assurance (Qld) Pty Ltd be appointed as auditor of the Company".

GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By Order of the Board

Karl Schlobohm
Company Secretary
22 October 2010

Explanatory Memorandum

EXPLANATORY STATEMENT

This Explanatory Memorandum is provided to Shareholders of **AusNiCo Ltd ACN 122 957 322 (Company)** to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at Level 5, 60 Edward St Brisbane on Thursday 25 November 2010 at 2pm (Brisbane time).

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of Resolutions 1 to 5 contained in the Notice of Meeting material.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

ORDINARY BUSINESS

1. Consider the Company's 2010 Annual Report

The Corporations Act requires the financial report, the directors' report and the auditor's report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the financial report, the directors' report or the auditor's report. The Company's 2010 Annual Report is placed before the Shareholders for discussion. No voting is required for this item.

Shareholders can obtain a copy of the Company's 2010 Annual Report by sending a request to info@ausnico.com.au or by downloading a copy from the Company's website: www.ausnico.com.au.

2. Resolution 1 - Remuneration Report

The Board has submitted its Remuneration Report (included in the 2010 Annual Report) to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the 2010 Annual Report. The Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive Directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executives of the Company; and
- details and explains any performance conditions applicable to the remuneration of executive Directors and senior executives of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Directors of the Company.

3. Resolution 2 – Re-Election of Brian Moller as a Director

Mr Moller was originally appointed to the Board of Directors on 22 December 2006. In accordance with Article 38.1 of the Company's Constitution, Mr Moller will retire at the Annual General Meeting, and in accordance with Article 38.6 of the Company's Constitution, will stand for re-election.

Mr Moller acts for many public listed resource and industrial companies and brings a wealth of experience and expertise to the board particularly in the corporate regulatory and governance areas. He is a former Chairman of Gold Aura Limited, a Queensland based ASX-listed company.

Mr Moller is currently a Non-Executive Director of ASX-listed D'Aguilar Gold Ltd, Platina Resources Ltd and Solomon Gold plc, which is listed on AIM.

The Directors (with Mr Moller abstaining) recommend that you vote in favour of this Ordinary Resolution.

4. Resolution 3 – Confirmation of the Appointment of Mr Stephen Roberts as a Director

Mr Roberts was appointed to the Board of Directors upon the Company's debut on the ASX on 21 October 2010. In accordance with Article 36.2 of the Company's Constitution, Mr Roberts will retire at the Annual General Meeting, and will stand for re-election.

Mr Roberts has a finance, accounting and business development background with over 25 years experience in the resources industry. Mr Roberts worked for the BHP Billiton group of companies for 17 years before leaving at the end of 2005, having spent the last 4 years as Chief Development Officer (**CDO**) in charge of exploration, technology, business development and mergers and acquisition for their world wide nickel business. As CDO, he led BHP Billiton's nickel evaluation and due diligence team in the US$9.2 billion acquisition of WMC Resources Pty Ltd.

Mr Roberts is a past non-executive director of European Nickel Plc and is currently Chair and non-executive director of LinkWater and LinkWater Projects, two of the entities involved in the creation of the SE Queensland Water Grid. Mr Roberts is also a non-executive director of Reliance Resources Limited.

The Directors (with Mr Roberts abstaining) recommend that you vote in favour of this Ordinary Resolution.

5. Resolution 4 – Confirmation of the Appointment of Mr John Downie as a Director

Mr Downie was appointed to the Board of Directors on 21 October 2010, following the Company's debut on the ASX. In accordance with the Company's Constitution, Mr Downie will retire at the Annual General Meeting, and will stand for re-election.

Mr Downie was previously the CEO of Gladstone Pacific Nickel Limited, which was dual-listed on the London and Toronto Stock Exchanges, following a USD40 million raising in 2007. During his time with Gladstone Pacific Nickel, Mr Downie was instrumental in obtaining a project funding proposal for USD2.85 billion, and overseeing the completion of the Final Feasibility Studies and Environmental Impact Statement approval for the company's projects. Furthermore, he developed relationships with a number of Chinese government owned companies and Chinese Design Institute's involved in commodity development in Australia. His ability to successfully negotiate with traditional landowners at Marlborough and the local Gladstone Community, State and Federal Government for EIS approval for the Gladstone Project is well regarded.

Mr Downie has extensive international corporate and project experience, having held the roles of director of Mines, General Manager, Operations Manager, managing director, President and CEO for various resource companies including Barrack Mines Limited, Alcoa, Boral Limited and Austpac Resources N.L in a career spanning 30 years. As mines director at the "Vales" Goro Mine in New Caledonia he developed an in depth understanding of both the nickel laterite and nickel sulphide technology and markets.

Mr Downie is currently the Chairman of Goldminex Limited, which holds extensive exploration tenements in Papua New Guinea."

The Directors (with Mr Downie abstaining) recommend that you vote in favour of this Ordinary Resolution.

6. Resolution 5 – Appointment of Auditor

Pursuant to Resolution 5, the Company is seeking Shareholder approval to appoint BDO Kendalls Audit & Assurance (Qld) Pty Ltd (an Authorised Audit Company) as auditor of the Company.

BDO Kendalls (Qld) (a partnership) was appointed as the auditor of the Company on 7 November 2008 (**Current Auditor**). As a result of an internal re-structure of the Current Auditor, the Current Auditor needs to resign as the Company's auditor effective from the date of the 2010 Annual General Meeting (**AGM**). The Current Auditor has received consent from the Australian Securities Investment Commission to its resignation pursuant to section 329(5) of the Corporations Act. Accordingly, it is proposed that, simultaneously with this resignation, BDO Kendalls Audit & Assurance (Qld) Pty Ltd (an authorised audit company) be appointed as the new auditor of the Company effective from the date of this Meeting. The Company has received a notice of nomination to appoint BDO Kendalls Audit & Assurance (Qld) Pty Ltd accordance with section 328B of the Corporations Act and a copy of the notice of nomination is contained in Annexure A to this Explanatory Memorandum. BDO Kendalls Audit & Assurance (Qld) Pty Ltd has provided written consent to the appointment.

BDO Kendalls Audit & Assurance (Qld) Pty Ltd is based in Brisbane and is familiar with the operations of the Company and its subsidiaries. It is considered a suitable fit for the Company as, although it is not one of the big four accounting firms, it is still large enough to offer the appropriate networks and strengths of the larger scale accounting providers.

The Board recommends that eligible Shareholders vote in favour of this Resolution.

Interpretation

ASX means ASX Limited.

Board means the board of Directors of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Company means AusNiCo Limited ACN 122 957 322

Directors means the directors of the Company.

Meeting means this meeting.

Notice means the notice of meeting which accompanies this Explanatory Memorandum.

Shareholder means a holder of ordinary Shares in the Company.

Shares means ordinary fully paid shares in the issued capital of the Company.

ENQUIRIES

Any enquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Karl Schlobohm (Company Secretary), at Level 5, 60 Edward Street Brisbane QLD 4000, or on (07) 3303-0699.

Notes

Entitlement to Vote

The Board has determined, in accordance with the Corporations Regulations 2001 that for the purposes of determining those Shareholders entitled to attend and vote at the Annual General Meeting of the Company, shall be those persons recorded in the register of Shareholders as at 7.00pm (Brisbane Time) on 23 November 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

How to Vote

You may vote by attending the Annual General Meeting in person, by proxy or authorised representative.

Voting in Person

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

Voting by Proxy

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote on their behalf. Where a member is entitled to cast two or more votes, they may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a member of the Company.

Members who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the Corporations Act 2001 (Cth).

If a representative of the Company is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

Individual:	Where the holding is in one name, the holder must sign.
Joint Holding:	Where the holding is in more than one name, all of the security holders should sign.
Power of Attorney:	To sign under Power of Attorney, you must have already lodged this document with the 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 can also sign alone. Otherwise this form must be signed by a director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

To vote by proxy, the proxy form provided with this notice (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not less than forty eight (48) hours before the scheduled time for the meeting. Any proxy form received after that time will not be valid for the scheduled meeting.

Completed proxies can be returned to the Company Secretary by either mail to Level 5, 60 Edward St, Brisbane, Queensland 4001; or facsimile to (07) 3303-0681, or scanned and emailed to kschlobohm@ausnico.com.au

Appointment of Proxy

APPOINTMENT OF PROXY

I/We being Shareholder(s) of AusNiCo Limited (Company) hereby appoint:

☐ the Chairman of the Meeting **OR** (mark with an "X")

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting

or failing the person named, or if no person is named, the Chairman 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, as the proxy sees fit) at the Annual General Meeting of AusNiCo Limited to be held at Level 7, Waterfront Place, 1 Eagle Street Brisbane, Qld on 25 November 2010 at 2.00pm (Brisbane time) and at any adjournment of that meeting.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default, and you do NOT wish to direct your proxy how to vote as your proxy in respect of the resolution/s, please place a mark in the box opposite. ☐

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of a resolution and that votes cast by the Chair of the meeting for the Relevant Resolution other than as proxy holder will be disregarded because of that interest.

If the Chair of the meeting is your proxy and you do not mark this box or direct the Chair of the meeting how to vote above, the Chair of the meeting will not cast your votes on the Relevant Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Relevant Resolution.

The Chairman of the meeting intends to vote undirected proxies in favour of the resolutions including the Relevant Resolution.

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/s he has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is ……………..%. (An additional proxy form will be supplied by the Company on request).

If you wish to appoint the proxy to exercise voting power over only some of your Shares, the number of Shares in respect of which this proxy is to operate is ………………. Shares (Note: proxy will be over all Shares if left blank).

I/we direct my/our proxy to vote as indicated below:

Resolution	**For**	**Against**	**Abstain**
1. Remuneration Report	☐	☐	☐
2. Re-election of Brian Moller as a Director	☐	☐	☐
3. Re-election of Stephen Roberts as a Director	☐	☐	☐
4. Re-election of John Downie as a Director	☐	☐	☐
5. Appointment of Auditor	☐	☐	☐

Individual or Security holder 1	Security holder 2	Security holder 3
Sole Director and Secretary (if appointed)	Director	Director/Company Secretary
Contact Name	Contact Daytime Telephone	Date

How to complete this Proxy Form

1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your Shares using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman 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 Chairman of the Meeting will be your proxy. A proxy need not be a Shareholder of the company. A proxy may be an individual or a body corporate.

3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your Shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two 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 or you may copy this form.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of Shares 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 your votes. Fractions of votes will be disregarded.

(b) Return both forms together.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual:	where the holding is in one name, the holder must sign.
Joint Holding:	where the holding is in more than one name, either security holder may sign.
Power of Attorney:	To sign under Power of Attorney, you must have already lodged the Power of Attorney with the 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 can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

6 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below by 2.00pm on Tuesday 23 November 2010, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the reply paid envelope or posting as follows:

Ausnico Ltd
GPO Box 5261
Brisbane QLD 4001

ANNEXURE A

10 October 2010

The Company Secretary
AusNiCo Limited
Level 5
60 Edward Street
Brisbane Qld 4000

Dear Sir

Re: Nomination of Auditor

The undersigned being a member of AusNiCo Limited, hereby nominates BDO Kendalls Audit & Assurance (Qld) Pty Ltd for appointment as auditor of the Company at the 2010 Annual General Meeting.

W G Runge

William Gregory Runge
Director, Pinegold Pty Ltd