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## **NOTICE OF ANNUAL GENERAL MEETING**

5 October 2011

Notice is hereby given that the Annual General Meeting of Planet Metals Limited ACN 108 146 694 (**Planet Metals or Company**) will be held at the offices of HopgoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane on Monday 7 November 2011, commencing at 4pm (Queensland time).

### **AGENDA**

The agenda for the meeting is as follows:

- A. Opening of meeting
- B. Consideration and discussion of Audited Financial Statements for the year ended 30 June 2011 (**Audited Financial Statements**), which are being circulated to Shareholders who have elected to receive a paper copy of the Company's reports in the attached Annual Report. Shareholders who have given the Company an election to receive an electronic copy of the Company's reports and Shareholders from whom the Company has not received an election as to how they wish to receive the Company's reports can directly access the Audited Financial Statements on the Company's website at [www.planetmetals.com.au](http://www.planetmetals.com.au) and by selecting the link titled "Audited Financial Statements", which was released to the ASX on 1 September 2011.
- C. Consideration of Adoption of the Remuneration Report for the year ended 30 June 2011 (see Resolution 1)  
  
*[Note – the vote on this resolution is advisory only and does not bind the Directors of the Company]*
- D. Election of Directors: Re-election of Mr David K Barwick as a Director (see Resolution 2)
- E. Issuance of options to Mr David K Barwick (see Resolution 3)
- F. Issuance of options to Mr Andrew Gillies (see Resolution 4)
- G. Issuance of options to Mr Barry Kelly (see Resolution 5)
- H. Other business
- I. Close of meeting

*The Explanatory Statement and the Proxy Form accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting.*

## ORDINARY BUSINESS

To consider and, if thought fit, pass as ordinary resolutions of the Company:

### Remuneration Report

#### Resolution 1

*"That the Company be authorised to adopt the Remuneration Report for the year ended 30 June 2011".*

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

### Re-election of Director (Resolution 2)

#### Resolution 2

##### Re-election of David K Barwick

*"That in accordance with article 40.1 of the current Constitution of the Company and for the purposes of Listing Rule 14.5 and for all other purposes, Mr David K Barwick retires and being eligible, offers himself for re-election, to be appointed as a Director of the Company".*

### Issue of Options to David K Barwick (Resolution 3)

#### Resolution 3

##### Issue of Options to David K Barwick

*"That in accordance with section 208(1) of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 1,000,000 Director Options to David Keith Barwick, being a non-executive Director of the Company, or his nominee (**Mr Barwick**) and otherwise on terms set out in the Explanatory Memorandum".*

#### **Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by:

- Mr David Keith Barwick; and
- any associate of Mr David Keith Barwick .

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

### Issue of Options to Andrew L Gillies (Resolution 4)

#### Resolution 4

##### Issue of Options to Andrew L Gillies

*"That in accordance with section 208(1) of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 1,000,000 Director Options to Andrew*

*Langham Gillies, being a non-executive Director of the Company, or his nominee (**Mr Gillies**) and otherwise on terms set out in the Explanatory Memorandum”.*

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by:

- Mr Andrew Langham Gillies; and
- any associate of Mr Andrew Langham Gillies.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

**Issue of Options to Barry Kelly (Resolution 5)**

**Resolution 5**

**Issue of Options to Barry Kelly**

*“That in accordance with section 208(1) of the Corporations Act and Listing Rule 10.11 and for all other purposes, the Company be authorised to issue 1,000,000 Director Options to Barry Kelly, being a non-executive Director of the Company, or his nominee (**Mr Kelly**) and otherwise on terms set out in the Explanatory Memorandum”.*

**Voting exclusion statement**

The Company will disregard any votes cast on this Resolution by:

- Mr Barry Kelly; and
- any associate of Mr Barry Kelly.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.



**BY ORDER OF THE BOARD  
JOHN KEVIN HALEY  
COMPANY SECRETARY**

## **EXPLANATORY STATEMENT**

The following information is provided to Shareholders of Planet Metals Limited ACN 108 146 694 (**Planet Metals** or **Company**) in connection with the business to be considered at the Annual General Meeting of Shareholders to be held at the offices of HopgoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane on Monday 7 November 2011 commencing at 4 pm.

### **INTRODUCTION**

The Notice of Meeting, which is also enclosed, sets out details of proposals concerning the five (5) Resolutions to be put to Shareholders.

### **ORDINARY BUSINESS**

#### **Resolution 1: Adoption of Remuneration Report**

The Board has submitted its Remuneration 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 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 executive 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 1 is advisory only and does not bind the Directors of the Company.

#### **Resolution 2: Re-election of David K Barwick as a Director**

Under Article 40.1, the Company's Constitution requires that, at each annual general meeting of the Company, one-third of the Directors for the time being shall retire from office, provided that a Director must not hold office beyond the third annual general meeting following that Director's appointment or 3 years, whichever is longer.

Mr Barwick is the Director with the longest period spent in office since re-election and is therefore required to retire by rotation. A retiring Director shall be eligible for re-election.

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

### **Resolutions 3, 4 and 5: Issue of Director Options to Mr David K Barwick, Mr Andrew L Gillies and Mr Barry Kelly**

#### **Introduction**

The Directors have resolved to refer to Shareholders for approval of the proposed grant of 1,000,000 options to each of Mr Barwick, Mr Gillies and Mr Kelly (or their respective nominees) as Directors of the Company, (each a **Recipient**) (**the Director Options**). The terms of the Director Options are set out in more detail below.

Approval for the issue of the Director Options is sought in accordance with the Listing Rule 10.11 and Part 2E of the Corporations Act. As approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1.

In order for the Director Options to be granted to a Director, the requirements of Chapter 2E of the Corporations Act need to be observed.

#### **Options Terms**

A summary of the terms of the Director Options are as follows:

- (a) The Director Options shall be issued for no consideration;
- (b) The Director Options to be issued to Mr Barwick, Mr Gillies and Mr Kelly, will be exercisable in two (2) tranches of 500,000 Options each with the first tranche exercisable at \$0.11 per Option and the second tranche exercisable at \$0.125 per Option (**Exercise Price**);
- (c) The Director Options will not be transferable in whole or in part and may not be exercised by any other person (except, in the case of the Option Holder's death, by his or her legal personal representative);
- (d) The Director Options will expire on the earlier of:
  - (i) the date being two (2) years from the Issue Date; or
  - (ii) the Business Day after the expiration of three (3) months, or any longer period which the Board may determine, after the Option Holder ceases to be a Director, contractor or employee of the Company or an associated body corporate,unless earlier exercised (**Expiry Date**);
- (e) Both tranches of the Director Options may be exercised at any time prior to the Expiry Date, either wholly or in part, by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per Director Option to the Company at any time on or after the date of issue of the Director Options and on or before the Expiry Date;
- (f) The number of Director Options that may be exercised at one time must be not less than 10,000;
- (g) Upon the valid exercise of the Director Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares;
- (h) Option Holders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required

pursuant to the ASX Listing Rules, provide Option Holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Director Options, in accordance with the requirements of the Listing Rules.

- (i) Option Holders do not participate in any dividends unless the Director Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend;
- (j) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (i) the number of Director Options, the Exercise Price of the Director Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Director Options which are not conferred on shareholders; and
  - (ii) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Director Options will remain unchanged;
- (k) If there is a pro rata issue (except a bonus issue), the Exercise Price of a Director Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

- $O^n$  = the new exercise price of the Director Option;
- $O$  = the old exercise price of the Director Option;
- $E$  = the number of underlying securities into which one Director Option is exercisable;
- $P$  = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;
- $S$  = the subscription price for a security under the pro rata issue;
- $D$  = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- $N$  = the number of securities with rights or entitlements that must be held to receive a right to one new security.

- (l) If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Director Option is exercisable may be increased by the number of shares which the Option Holder would have received if the Director Option had been exercised before the record date for the bonus issue;
- (m) The terms of the Director Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Director Options shall not be changed to reduce the Exercise Price, increase the number of Director Options or change any period for exercise of the Director Options;

- (n) The Company does not intend to apply for listing of the Director Options on the ASX; and
- (o) The Company shall apply for listing of the resultant shares of the Company issued upon exercise of any Director Option.

## **Regulatory Requirements**

### **Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of a public company unless the benefit falls within one of various exceptions to the general prohibition (including where shareholder approval is obtained).

Resolutions 3, 4, and 5, if passed, will confer financial benefits on the Recipients (being related parties of the Company) and the Company seeks to obtain member approval in accordance with the requirements of Chapter 2E of the Corporations Act and for this reason, and for all other purposes, the following information is provided to Shareholders.

(a) **The related parties to whom Resolutions 3, 4, and 5 would permit the financial benefit to be given**

Each of Mr Barwick, Mr Gillies and Mr Kelly (or their respective nominees), being Directors of the Company.

(b) **The nature of the financial benefit**

The nature of the proposed financial benefit to be given is:

- (i) the grant of 1,000,000 Director Options to Mr Barwick (or nominee) as referred to in Resolution 3;
- (ii) the grant of 1,000,000 Director Options to Mr Gillies (or nominee) as referred to in Resolution 4;
- (iii) the grant of 1,000,000 Director Options to Mr Kelly (or nominee) as referred to in Resolution 5;
- (iv) the Director Options will be granted for nil consideration;
- (v) the Director Options will be exercisable into fully paid ordinary Shares on or before the date that is two (2) years from the Issue Date, provided that the respective Director has not ceased to be a Director on the basis provided for in the Director Options terms;
- (vi) the exercise price for the Director Options will be:
  - (A) \$0.11 for each of the first tranche of 500,000 Director Option for Mr Barwick, Mr Gillies and Mr Kelly; and
  - (B) \$0.125 for each of the second tranche of 500,000 Director Option for Mr Barwick, Mr Gillies and Mr Kelly.

(c) **Directors' Recommendation**

With respect to Resolution 3, Mr Gillies and Mr Kelly recommend that Shareholders vote in favour of this resolution. The reasons for their recommendation include:

- (i) the grant of the Director Options as proposed to Mr Barwick will provide him with reward and incentive for future services he will provide to the Company to further the progress of the Company;

- (ii) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and
- (iii) in the Company's circumstances as they existed as at the date of this Explanatory Statement, Mr Gillies and Mr Kelly considered that the incentive provided a cost-effective and efficient incentive as opposed to alternative forms of incentives (eg cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options to a third party.

As Mr Barwick is interested in the outcome of Resolution 3, he accordingly makes no recommendation to Shareholders in respect of this resolution.

With respect to Resolution 4, Mr Barwick and Mr Kelly recommend that Shareholders vote in favour of this resolution. The reasons for their recommendation include:

- (i) the grant of the Director Options as proposed to Mr Gillies will provide him with reward and incentive for future services he will provide to the Company to further the progress of the Company;
- (ii) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and
- (iii) in the Company's circumstances as they existed as at the date of this Explanatory Statement, Mr Barwick and Mr Kelly considered that the incentive provided a cost-effective and efficient incentive as opposed to alternative forms of incentives (eg cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options to a third party.

As Mr Gillies is interested in the outcome of Resolution 4, he accordingly makes no recommendation to Shareholders in respect of this resolution.

With respect to Resolution 5, Mr Barwick and Mr Gillies recommend that Shareholders vote in favour of this resolution. The reasons for their recommendation include:

- (i) the grant of the Director Options as proposed to Mr Kelly will provide him with reward and incentive for future services he will provide to the Company to further the progress of the Company;
- (ii) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and
- (iii) in the Company's circumstances as they existed as at the date of this Explanatory Statement, Mr Barwick and Mr Gillies considered that the incentive provided a cost-effective and efficient incentive as opposed to alternative forms of incentives (eg cash bonuses, increased remuneration). However, it must be recognised that there will be an opportunity cost to the Company, being the price at which the Company could grant the Director Options to a third party.

As Mr Kelly is interested in the outcome of Resolution 5, he accordingly makes no recommendation to Shareholders in respect of this resolution.

(d) **Directors' Interest and other remuneration**

**Mr Barwick**

Mr Barwick has a material personal interest in the outcome of Resolution 3, as it is proposed that Director Options be granted to him (or his nominee).

Excluding the Director Options, Mr Barwick (and entities associated with him) holds 150,000 Shares and no options in the Company. Please refer to the table below which indicates the holdings of Mr Barwick (and entities associated with him).

Other than the Director Options to be issued to Mr Barwick pursuant to Resolution 3, Mr Barwick shall receive director's remuneration of \$38,150 (inclusive of superannuation) per annum (total cost to the Company) from the Company for his services as a non-executive Director and Chairman of the Board.

**Mr Gillies**

Mr Gillies has a material personal interest in the outcome of Resolution 4, as it is proposed that Director Options be granted to him (or his nominee).

Excluding the Director Options, Mr Gillies (and entities associated with him) holds 2,261,934 Shares and no options in the Company. Please refer to the table below which indicates the holdings of Mr Gillies (and entities associated with him).

Other than the Director Options to be issued to Mr Gillies pursuant to Resolution 4, Mr Gillies shall receive director's remuneration of \$27,250 (inclusive of superannuation) per annum (total cost to the Company) from the Company for his services as a non-executive Director.

**Mr Kelly**

Mr Kelly has a material personal interest in the outcome of Resolution 5, as it is proposed that Director Options be granted to him (or his nominee).

Excluding the Director Options, Mr Kelly (and entities associated with him) holds 1,286 Shares and no options in the Company. Please refer to the table below which indicates the holdings of Mr Kelly (and entities associated with him).

Other than the Director Options to be issued to Mr Kelly pursuant to Resolution 5, Mr Kelly shall receive director's remuneration of \$27,250 (exclusive of superannuation) per annum (total cost to the Company) from the Company for his services as a non-executive Director.

(e) **Valuation**

The Director Options are not currently quoted on the ASX and as such have no market value. The Director Options each grant the holder a right of grant of one ordinary Share in the Company upon exercise of the Director Options and payment of the exercise price of the Director Options described above. Accordingly, the Director Options may have a present value at the date of their grant.

The Director Options may acquire future value dependent upon the extent to which the Shares exceed the exercise price of the Director Options during the term of the Director Options.

As a general proposition, options to subscribe for ordinary fully paid shares in a company have a value. Various factors impact upon the value of options including:

- (i) the period outstanding before the expiry date of the options;
- (ii) the exercise price of the options relative to the underlying price or value of the securities into which they may be converted;
- (iii) the proportion of the issued capital as expanded consequent upon exercise represented by the shares issued upon exercise (ie whether or not the shares

that might be acquired upon exercise of the options represent a controlling or other significant interest);

- (iv) the value of the shares into which the options may be converted; and
- (v) whether the options are listed (ie readily capable of being liquidated).

There are various formulae which can be applied to determining the theoretical value of options (including the formula known as the Black-Scholes Model option valuation formula).

The Company has commissioned an independent valuation of the options, for the purposes of disclosing to Shareholders such information required to decide whether or not it is in the Company's interest to pass Resolutions 3, 4, and 5 and disclosing expenses in the Company's Financial Statements in accordance with AASB 2 Share Based Payments, using the Black-Scholes Model, which is the most widely used and recognised model for pricing options. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk-free interest rate, the volatility of the Company's underlying Share price and expected dividends.

Inherent in the application of the Black-Scholes Model are a number of inputs, some of which must be assumed. The data relied upon in applying the Black-Scholes Model was:

- (i) the exercise price of the Director Options being \$0.11 for the first tranche and \$0.125 for the second tranche for each of Mr Barwick, Mr Gillies and Mr Kelly;
- (ii) a market price of Shares of \$0.083;
- (iii) expiry date of two (2) years from the Issue Date for the Director Options proposed to be issued to the Directors;
- (iv) a volatility measure of 85.857%;
- (v) a risk-free interest rate of 3.52% on the options proposed to be issued to the Directors; and
- (vi) a dividend yield of nil.

Some relatively minor variables were included in the calculation to estimate the value of Director Options as "American style" options (being exercisable at any time prior to the stated expiry date). Theoretically, the Black-Scholes Model prices "European style" options (being exercisable only on the exercise date).

Based on the independent valuation of the Director Options, the Company agrees that the respective value of the Director Options to be issued pursuant to Resolutions 3, 4, and 5 are as follows:

- (i) Mr Barwick – \$16,500 (first tranche) and \$15,272.76 (second tranche);
- (ii) Mr Gillies – \$16,500 (first tranche) and \$15,272.76 (second tranche);
- (iii) Mr Kelly – \$16,500 (first tranche) and \$15,272.76 (second tranche).

(f) **Any other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors**

There is no other information known to the Company or any of its Directors save and except as follows:

**Market Price movements:**

The option valuation noted above is based on a market price per Share of \$0.083.

There is a possibility that the market price of the Shares will change up to the date of the Meeting.

**Opportunity Costs**

The opportunity costs and benefits foregone by the Company issuing the Director Options to the Directors is the potentially diluted impact on the issued Share capital of the Company (in the event that the options are exercised). Until exercised, the issue of the Director Options will not impact upon the number of Shares on issue in the Company. To the extent that upon their exercise the dilutionary impact caused by the issue of the Shares may be detrimental to the Company, if at all, this is more than offset by the advantages accruing from the Company securing the services of experienced and skilled directors on appropriate incentive terms.

It is also considered that the potential increase of value in the Director Options is dependent upon a concomitant increase in the value of the Company generally.

**Taxation Consequences**

No stamp duty will be payable in respect of the grant of the Director Options. No GST will be payable by the Company in respect of the grant of the Director Options (or if it is then it will be recoverable as an input credit).

AASB 2 "Share Based Payments" requires that these payments shall be measured at the more readily determinable fair value of the equity instrument. Under the accounting standards this amount will be expensed in the statement of comprehensive income. Where the grant date and the vesting date are different, the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

**Dilutionary Effect**

If all of the Director Options granted are exercised by Mr Barwick, Mr Gillies, and Mr Kelly (or their nominees as the case may be), then the effect on their holdings in the Company will be as outlined in the following table.

<b>Director</b>	<b>Current shareholding</b>	<b>Current % of total share capital</b>	<b>Shareholding upon exercise of all Director Options</b>	<b>New % of total share capital</b>
Mr Barwick	150,000	0.251%	1,150,000	1.834%
Mr Gillies	2,261,934	3.787%	3,261,934	5.201%
Mr Kelly	1,286	0.002%	1,001,286	1.597%
<b>Total</b>	<b>2,413,220</b>	<b>4.04%</b>	<b>5,413,220</b>	<b>8.632%</b>

### **Listing Rule 10.11**

Listing Rule 10.11 requires an entity to obtain the approval of shareholders to an issue of securities to a related party. Each of Mr Barwick, Mr Gillies, and Mr Kelly, being Directors of the Company, are related parties. Accordingly, because the issue of the Director Options will result in the Company issuing securities to a related party, approval under Listing Rule 10.11 is required.

For the purposes of Listing Rule 10.13, the Company advises as follows:

- (i) the maximum number of Director Options to be issued are 1,000,000 Director Options each to Mr Barwick, Mr Gillies and Mr Kelly;
- (ii) the Director Options are intended to be granted as soon as possible following the Meeting, but in any event, within one (1) month of the date of the Meeting;
- (iii) the Director Options are being issued for nil consideration; and
- (iv) no funds are being raised by the grant of the Director Options.

In accordance with Listing Rule 7.2, as approval is being sought under Listing Rule 10.11, approval is not required to be obtained under Listing Rule 7.1.

Save as set out in this Explanatory Statement, the Directors are not aware of any other information that will be reasonably required by Shareholders to make a decision in relation to benefits contemplated by Resolutions 3, 4, and 5.

### **Interpretation**

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

**ASIC** means the Australian Securities & Investments Commission;

**ASX** means the ASX Limited;

**Business Day** means a day on which all banks are open for business generally in Brisbane;

**Company** means Planet Metals Limited ACN 108 146 694 (ASX: PMQ);

**Constitution** means the constitution of the Company from time to time;

**Corporations Act** means the *Corporations Act 2001* (Cth);

**Directors** means the board of directors of the Company as at the date of the Notice of Meeting being David Barwick, Andrew Gillies and Barry Kelly;

**Director Options** has the meaning given for Resolutions 3, 4 and 5 of the Explanatory Memorandum;

**Explanatory Memorandum** means the explanatory statement accompanying this Notice;

**Issue Date** means the date of the Meeting or within one (1) month thereafter;

**Listing Rules** means the official listing rules of the ASX as amended from time to time;

**Meeting** means the Annual General Meeting to be held on Monday 7 November 2011 as convened by the accompanying Notice of Meeting;

**Notice of Meeting or Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum;

**Ordinary Resolution** means a resolution passed by more than 50% of the votes at a general meeting of shareholders;

**Resolutions** means the resolutions set out in the Notice of Meeting;

**Shares** means fully paid ordinary shares in the Company from time to time; and

**Shareholder** means a Shareholder of the Company.

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Any inquiries in relation to the resolutions or the Explanatory Statement should be directed to Mr John Haley (Company Secretary):

GPO Box 122, Brisbane QLD 4001  
Tel - +61 7 3249 3080  
Fax -+61 7 3249 3081



# PLANET METALS LIMITED

**Planet Metals Limited**  
ABN 35 108 146 694

**FOR ALL ENQUIRIES CALL:**  
(within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

**FACSIMILE**  
+61 2 9290 9655

**ALL CORRESPONDENCE TO:**  
Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001  
Australia

#### Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

#### Reference Number:

**Please note it is important you keep this confidential**

## YOUR VOTE IS IMPORTANT

**FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 4.00PM  
(QUEENSLAND TIME) SATURDAY 5<sup>TH</sup> NOVEMBER 2011**

## TO VOTE BY COMPLETING THE PROXY FORM

### STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy  
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. 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 security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### Appointment of a Second Proxy

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

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the 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 your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

### STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities 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 securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, 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.

### STEP 3 Sign the Form

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

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

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

### STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **4.00pm (QLD time) on Monday, 7<sup>th</sup> November 2011**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

**BY MAIL -** Planet Metals Limited  
GPO Box 122,  
Brisbane QLD 4001

**BY FAX -** +61 7 3249 3081

**IN PERSON -** Planet Metals Limited registered Office:  
71 Lytton Road, EAST BRISBANE, QLD 4169

### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

# Planet Metals Limited

## STEP 1 - Appointment of Proxy

I/We being a member/s of Planet Metals Limited and entitled to attend and vote hereby appoint

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

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Planet Metals Limited to be held at the offices of HoggoodGanim Lawyers, Level 7, Waterfront Place, 1 Eagle Street, Brisbane on Monday 7 November 2011, commencing at 4.00pm (Queensland time)** and at any adjournment of that meeting, to act 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.

If the Chairman 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 in respect of resolutions 1,2,3,4 & 5, please mark this box. By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of the resolution and votes cast by the Chairman of the Meeting for those resolutions, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called. The Chair intends to vote all undirected proxies in favour of the resolution.

**No undirected proxies to the Chairman or Key Management Personnel will be voted on Resolution 1, Adoption of Remuneration Report. You are encouraged to direct your proxy by marking the box in relation to the resolution in the section below.**

## STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

### Ordinary Business

	For	Against	Abstain*
Resolution 1 To adopt the Remuneration Report for the year ended 30 June 2011	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of David K Barwick as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Issue of Options to David K Barwick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Issue of Options to Andrew L Gillies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Issue of Options to Barry Kelly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

\*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.

## STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

<b>Individual or Securityholder 1</b>	<b>Securityholder 2</b>	<b>Securityholder 3</b>
<input style="width: 200px; height: 30px;" type="text"/>	<input style="width: 200px; height: 30px;" type="text"/>	<input style="width: 200px; height: 30px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name .....

Contact Daytime Telephone ..... Date / / 2011

