
VENTURE MINERALS LIMITED

ABN 51 119 678 385

NOTICE OF GENERAL MEETING

TIME: 10.00 AM (WST)

DATE: Thursday, 15 March 2012

PLACE: Freemasons Hall
181 Roberts Road
SUBIACO WA 6008

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9381 4222.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00 am (WST) on Thursday, 15 March 2012 at:

Freemasons Hall
181 Roberts Road
SUBIACO WA 6008

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5:00 pm (WST) on Tuesday, 13 March 2012.

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - o the proxy is not recorded as attending the meeting;
 - o the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

1. RESOLUTION 1 – ADOPTION OF PERFORMANCE RIGHTS PLAN

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

“That, for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to establish and maintain a performance rights plan (PRP) on the terms and conditions summarised in the accompanying Explanatory Memorandum and the grant of Performance Rights from time to time under the PRP as an exception to Listing Rule 7.1.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – ISSUE OF OPTIONS TO MR HAMISH HALLIDAY

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 3,000,000 Options to Mr Hamish Halliday (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Hamish Halliday (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing

the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

3. RESOLUTION 3 – ISSUE OF OPTIONS TO MR ANDREW RADONJIC

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 1,500,000 Options to Mr Andrew Radonjic (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Andrew Radonjic (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

4. RESOLUTION 4 – ISSUE OF OPTIONS TO MR MEL ASHTON

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 750,000 Options to Mr Mel Ashton (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Mel Ashton (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. RESOLUTION 5 – ISSUE OF OPTIONS TO MR BRUCE MCFADZEAN

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 750,000 Options to Mr Bruce McFadzean (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Bruce McFadzean (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:

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

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 – ISSUE OF OPTIONS TO MR JOHN JETTER

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 750,000 Options to Mr John Jetter (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr John Jetter (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (iii) a member of the Key Management Personnel; or
 - (iv) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

DATED: 10 FEBRUARY 2012

BY ORDER OF THE BOARD



MR BRETT DUNNACHIE
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. RESOLUTION 1 – ADOPTION OF PERFORMANCE RIGHTS PLAN

1.1 General

On 2 February 2012, the Board adopted a performance rights plan (**PRP**) under which eligible participants may be granted Performance Rights to acquire Shares in the Company. The intention of the PRP is to reward current management, executives and employees of the Company and to provide ongoing incentives as the Company progresses into production.

Resolution 1 seeks Shareholder approval under ASX Listing Rule 7.1 for the PRP. The reason for the adoption of a new PRP is due to taxation legislation changes made in Australia in late 2009. This new taxation treatment has significantly reduced the effectiveness of Options as an incentive for the Company's Directors and employees. Accordingly, the new PRP is structured that the Board awards Performance Rights which ultimately can vest into Shares, should circumstances permit.

A Performance Right typically does not have an exercise price and therefore allows a recipient, subject to satisfaction of the relevant vesting conditions and performance hurdles (as applicable), to benefit by their Performance Rights vesting into ordinary shares in the Company. The adoption of such an incentive mechanism, which allows the grant of Performance Rights, is a current trend among the Company's ASX listed industry peer group.

The objective of the PRP is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of management, executives and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the PRP are aligned with the successful growth of the Company's business activities.

The management, executives and employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the PRP is an appropriate method to:

- (a) reward management, executives and employees for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate management, executives and employees and generate loyalty; and
- (d) assist to retain the services of valuable management, executives and employees.

The PRP will be used as part of the remuneration planning for management, executives and employees. The Corporate Governance Council Guidelines recommend that executive remuneration packages involve a balance

between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the company's circumstances and goals. While the PRP is capable of being used as part of the remuneration of Directors, the Company does not currently intend to use it for that purpose.

1.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

One of the exceptions to ASX Listing Rule 7.1 is Listing Rule 7.2 – Exception 9, which provides that ASX Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the 3 years before the date of issue, shareholders have approved the issue as an exception to ASX Listing Rule 7.1.

The effect of Resolution 1 will be to allow the Directors to grant Performance Rights pursuant to the PRP during the period of 3 years after the Meeting (or a longer period, if allowed by ASX), and to issue Shares to those executives and employees if they achieve the performance and vesting conditions of the Performance Rights, without using the Company's 15% annual placement capacity.

In the case of a Director, no Performance Rights may be issued to the Director without separate Shareholder approval pursuant to ASX Listing Rule 10.14.

1.3 Information required by the ASX Listing Rules – Terms of the PRP

A summary of the Terms of the PRP is provided in Schedule 1 to this Explanatory Memorandum. A copy of the PRP will be made available to any Shareholder on request.

No Performance Rights have been issued under the PRP as at the date of the Explanatory Memorandum.

2. RESOLUTIONS 2, 3, 4, 5 AND 6 – ISSUE OF OPTIONS TO RELATED PARTIES

2.1 General

On 16 January 2012 the Company announced on the ASX that certain Directors and management had agreed to transfer their \$0.30 options for nil consideration prior to their expiry, to a US based investment fund. The Company is now seeking approval to issue Options at a higher strike price and are to incentivise management into the future.

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 6,750,000 Options (**Related Party Options**) to Messrs Hamish Halliday, Andrew Radonjic, Mel Ashton, Bruce McFadzean and John Jetter (**Related Parties**).

The issue of the Options are on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and Messrs Halliday, Radonjic, Ashton, McFadzean and Jetter are related parties of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the grant of the Related Party Options is considered reasonable remuneration. Therefore, it is the view of the Directors that the grant of the Related Party Options falls within the exception outlined in section 211 of the Corporations Act. Accordingly, Shareholder approval is not being sought under section 208 of the Corporations Act for the grant of Related Party Options to the Related Parties.

2.2 Shareholder Approval (Listing Rule 10.11)

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options:

- (a) the related parties are Messrs Hamish Halliday, Andrew Radonjic, Mel Ashton, Bruce McFadzean and John Jetter, and they are related parties by virtue of being Directors;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (A) 3,000,000 Related Party Options to Mr Halliday;
 - (B) 1,500,000 Related Party Options to Mr Radonjic;
 - (C) 750,000 Related Party Options to Mr Ashton;
 - (D) 750,000 Related Party Options to Mr McFadzean; and
 - (E) 750,000 Related Party Options to Mr Jetter;
- (c) the Related Party Options will be granted to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Related Party Options are set out in Schedule 2;
- (f) the primary purpose of the grant of the Related Party Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and

reward the performance of the Related Parties in their respective roles as Directors;

- (g) Mr Halliday declines to make a recommendation to Shareholders in relation to Resolution 2 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolution 3, 4, 5 and 6, Mr Halliday recommends that Shareholders vote in favour of those Resolutions for the following reasons:
 - (i) the grant of Related Party Options to the Related Parties, will align the interests of the Related Parties with those of Shareholders;
 - (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (h) Mr Radonjic declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 2, 4, 5 and 6, Mr Radonjic recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (g)(i) and (g)(iii);
- (i) Mr Ashton declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 2, 3, 5 and 6, Mr Ashton recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (g)(i) and (g)(iii);
- (j) Mr McFadzean declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 2, 3, 4 and 6, Mr McFadzean recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (g)(i) and (g)(iii);
- (k) Mr Jetter declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 2, 3, 4 and 5, Mr Jetter recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (g)(i) and (g)(iii);
- (l) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options; and
- (m) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 2, 3, 4, 5 and 6.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Venture Minerals Limited (ABN 51 119 678 385).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Option means an option to acquire a Share with the terms and conditions set out in Schedule 2.

Optionholder means a holder of an Option or Related Party Option as the context requires.

Proxy Form means the proxy form accompanying the Notice.

Related Party Option means an Option granted pursuant to Resolutions 2, 3, 4, 5 and 6 with the terms and conditions set out in Schedule 2.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

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

SCHEDULE 1 – SUMMARY OF THE PERFORMANCE RIGHTS PLAN

The full terms of the PRP may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the PRP is set out below.

- (a) Subject to any necessary approvals from the Company's shareholders or as required by law or by the Listing Rules, the Board may, from time to time, at its absolute discretion and only where any Director and full time or part time employee of the Company, who is determined by the Board to be eligible to participate in the PRP (**Eligible Participants**), grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in the PRP and upon such additional terms and vesting conditions as the Board determines.
- (b) Each Performance Right will, subject to vesting, entitle the holder on exercise to one fully paid ordinary share in the capital of the Company (**Share**).
- (c) A Performance Right granted under the PRP will not vest unless the Vesting Conditions (if any) advised to the Participant by the Board have been satisfied and the Board has notified the Participant.
- (d) The Board will advise each Eligible Participant of the following minimum information regarding the Performance Rights:
 - (i) the number of Performance Rights being offered (each entitling its holder to one Share upon vesting of that Performance Right);
 - (ii) any applicable Vesting Conditions;
 - (iii) the dates and times when the Performance Rights lapse (**Expiry Date**);
 - (iv) any amount that will be payable upon vesting or exercise of a Performance Right; and
 - (v) any other relevant conditions to be attached to the Performance Rights or the Shares.
- (e) The Board Unless the Board decides otherwise, any vested Performance Right that has not been exercised, or otherwise lapsed, within one (1) year of becoming vested, shall automatically lapse.
- (f) Where a Participant ceases to be an Eligible Participant, any unvested Performance Rights lapse unless waived at the Boards discretion. Any vested but unexercised Performance Right must be exercised within 6 months (or such other period as approved by the Board) or they lapse.
- (g) The Company shall notify the Eligible Participant when the relevant vesting requirements have been satisfied and the Eligible Participant may then exercise their right to accept the vesting of the Performance Rights and be issued the Shares, following which the Company will issue the Shares and deliver notification of the Shareholding to the Eligible Participant.
- (h) Subject to the Company being listed on the ASX, the Company will, within 10 business days of the date of the Shares being issued, make application to ASX for quotation of the Shares.
- (i) Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank pari passu with all other Shares on issue.
- (j) Performance Rights are only transferrable with the prior written consent of the Directors of the Company or by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

- (k) If Shares are issued pro rata to the Company's shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits, the number of Performance Rights to which each Participant is entitled, or any amount payable on exercise of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the Participant as a result of the bonus issue.
- (l) In the event of any reorganisation (including consolidation or subdivision) of the issued capital of the Company, the number of Performance Rights to which each Participant is entitled, or any amount payable on exercise of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the Participant as a result of such corporate actions.
- (m) In the event a bona fide Takeover Bid is declared unconditional, the Board may, in its absolute discretion, determine that all or a specified number of a Participant's unvested Performance Rights vest. Any Performance Right which the Board determines does not vest will automatically lapse, unless the Board determines otherwise.
- (n) The Board may, in its absolute discretion, determine that all or a specified number of a Participant's Performance Rights vest where:
 - (i) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
 - (ii) any person becomes bound or entitled to acquire shares in the Company under:
 - (i) section 414 of the Corporations Act; or
 - (ii) Chapter 6A of the Corporations Act;
 - (iii) the Company passes a resolution for voluntary winding up; or
 - (iv) an order is made for the compulsory winding up of the Company.
- (o) If no determination is made or if the Board determines that some or all of a Participant's Performance Rights do not vest, those Performance Rights will automatically lapse.
- (p) Other than as set out above, during the currency of any Performance Rights and prior to exercise, Participants are not entitled to participate in any new issue of securities of the Company as a result of their holding Performance Rights. In addition, Participants are not entitled to vote nor to receive dividends as a result of their holding Performance Rights.

SCHEDULE 2 – OPTION TERMS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
 - (b) Each Option will expire at 5.00pm (WST) on 15 August 2014 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
 - (c) Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.45 (**Exercise Price**).
 - (d) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
 - (e) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;
- (Exercise Notice).**
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
 - (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
 - (h) The Options are not transferable except with the prior written consent of the board of directors of the Company.
 - (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
 - (j) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
 - (k) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
 - (l) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
 - (m) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

PROXY FORM

APPOINTMENT OF PROXY
VENTURE MINERALS LIMITED
ABN 51 119 678 385

GENERAL MEETING

I/We

of

being a member of Venture Minerals Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

OR

☐

the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at 10.00am (WST)], on Thursday, 15 March 2012 at Freemasons Hall, 181 Roberts Road SUBIACO WA 6008, and at any adjournment thereof.

☐

If the Chair of the General 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 **Resolutions 1 to 6** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 to 6 and that votes cast by the Chair of the General Meeting for Resolutions 1 to 6 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 Chair will not cast your votes on Resolutions 1 to 6 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 to 6.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

OR

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of Performance Rights Plan	☐	☐	☐
Resolution 2 – Issue of Options to Mr Hamish Halliday	☐	☐	☐
Resolution 3 – Issue of Options to Mr Andrew Radonjic	☐	☐	☐
Resolution 4 – Issue of Options to Mr Mel Ashton	☐	☐	☐
Resolution 5 – Issue of Options to Mr Bruce McFadzean	☐	☐	☐
Resolution 6 – Issue of Options to Mr John Jetter	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

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

Signature of Member(s):

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and cast a vote at a General Meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If the member is entitled to cast 2 or more votes at the meeting, the member may appoint a second proxy to attend and vote on their behalf at the meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A member who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointments do not specify the proportion or number of the member's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Venture Minerals Limited, PO Box 186 WEST PERTH WA 6872; or
 - (b) facsimile to the Company on facsimile number +61 8 9381 4222; or
 - (c) email to the Company at info@ventureminerals.com.au,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy forms received later than this time will be invalid.