# AUSTMINEX LTD
# ABN 56 005 470 799

# NOTICE OF ANNUAL GENERAL MEETING
# and
# EXPLANATORY STATEMENT
# and
# PROXY FORM

**For the Annual General Meeting to be held on**
**30 November 2004 at 11:30 am (WST) at**
**45 Ventnor Avenue, West Perth**
**Western Australia**

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***This is an important document. Please read it carefully.***

***If there is any matter that you do not understand, you should contact your financial adviser, stockbroker or solicitor.***

## TIME AND PLACE OF MEETING AND HOW TO VOTE

### Venue

The Annual General Meeting of the shareholders of Austminex Ltd will be held at:

| | |
|---|---|
| 45 Ventnor Avenue<br>WEST PERTH WA 6005 | 11:30 am (WST)<br>on 30 November 2004 |

### How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

### Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 11:30 am (WST).

### Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Memorandum as soon as possible and either:

- send the proxy form by facsimile to the Company on facsimile number (08) 9429 8800 (International: + 61 8 9429 8800);
- deliver the proxy form to the Company's registered office at 45 Ventnor Avenue, West Perth, Western Australia; or
- deliver the proxy form to the Company's Share Registry, Computershare Investor Services Pty Ltd, Level 2 Reserve Bank Building, 45 St Georges Terrace, Perth, Western Australia,

so that it is received not later than 11:30 am (WST) on 28 November 2004.

**Your proxy form is enclosed.**

**AUSTMINEX LTD**

**ABN 56 005 470 799**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of shareholders of Austminex Ltd (**Austminex** or **Company**) will be held at 45 Ventnor Avenue, West Perth, Western Australia, at 11:30 am (WST) on 30 November 2004.

**AGENDA**

**BUSINESS**

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered as both ordinary and special business.

**ORDINARY BUSINESS**

**Reports and Accounts**

To receive the financial statements of the Company for the year ended 30 June 2004 together with the statement of the Directors, the Directors' Report and the Auditor's Report.

**Resolution 1 – Re-election of a Director – Mr Alan Martin**

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

> *"That, Mr Alan Martin, being a Director of the Company retires by rotation in accordance with Clause 59 of the Constitution and, being eligible, is hereby re-elected as a Director of the Company."*

**Short Explanation:** Clause 59 of the Constitution of the Company requires that at the Annual General Meeting, one third of the Directors for the time being shall retire from office. A retiring Director is eligible for re-election.

**SPECIAL BUSINESS**

**Resolution 2 – Issue of Shares to Sundance Resources Limited**

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

> *"That, for the purpose of Listing Rule 7.1 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, approval be given for the Company to issue fully paid ordinary shares in the capital of the Company equal to $750,000 to Sundance Resources Limited on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Under the Listing Rules, the Company may seek shareholder approval prior to a placement to allow it the flexibility to make future issues of securities up to the threshold of 15% of its total ordinary securities in any 12 month period. Please refer to the Explanatory Statement for further details.

**Voting Exclusion**: The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit in the capacity of a holder of ordinary securities, if the resolution is passed, and any associates of those persons.

**Resolution 3 – Ratification of Share Issue**

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 7.4 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, shareholders ratify the allotment and issue of 7,692,308 fully paid ordinary shares in the capital of the Company to Consolidated Nickel Pty Ltd on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** An equity issue can be ratified by shareholders in accordance with the Listing Rules. This allows the Company flexibility to issue securities in the future up to the threshold of 15% of its total ordinary shares in any 12 month period. Please refer to the Explanatory Statement for details.

**Voting Exclusion**: The Company will disregard any votes cast on this resolution by any person who participated in the issue of the Shares and any of their associates.

**Resolution 4 – Issue of Options to Directors and Non Directors**

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

> *"That, for the purposes of:*
>
> *(a) Listing Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited and Section 208 of the Corporations Act and for all other purposes, the shareholders of the Company approve the grant of 3,000,000 options to Ms Catherine Hobbs (or her nominee); and*
>
> *(b) Listing Rule 7.1 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the Shareholders of the Company approve the grant of:*
>
> *(i) 3,000,000 Options to Mr Charles McCormick;*
>
> *(ii) 210,000 Options to Mr Jack Toby; and*
>
> *(iii) 210,000 Options to Ms Susan Panza,*
>
> *on the terms set out in the Explanatory Statement."*

**Short Explanation:** Under the ASX Listing Rules, any issue of securities to a director (or entities controlled by a director) requires prior Shareholder approval. Ms Catherine Hobbs is a Director of the Company. For the purposes of ASX Listing Rule 10.11 and Section 208 of the Corporations Act, Shareholder approval is being sought to allow Ms Catherine Hobbs (or her nominee) to be issued securities in the Company (which are considered to be a financial benefit under the Corporations Act). Under the Listing Rules, the Company may seek Shareholder approval prior to a placement to allow it the flexibility to make future issues of securities up to the threshold of 15% of its total ordinary securities in any 12 month period. Please refer to the Explanatory Statement for further details.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by Ms Catherine Hobbs, Mr Chuck McCormick, Mr Jack Toby and Ms Susan Panza and any associate of those people.

**DATED THIS 15th DAY OF OCTOBER 2004**
**BY ORDER OF THE BOARD**

**CATHERINE HOBBS**
**DIRECTOR**

**NOTES:**

(a) A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.

(b) Where a voting exclusion applies, 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.

(c) In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. This date is the opening of business on 29 November 2004.

**AUSTMINEX LTD**

**ABN 56 005 470 799**

**EXPLANATORY STATEMENT**

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your financial adviser, your stockbroker or solicitor.

## 1. RESOLUTION 1 – RE-ELECTION OF A DIRECTOR – MR ALAN MARTIN

Clause 59 of the Company's Constitution requires that at the annual general meeting one third of the Directors for the time being shall retire from office. A retiring Director is eligible for re-election. Additional Directors appointed since the last annual general meeting shall not be taken into account in determining the Directors who are to retire by rotation.

Mr Alan Martin retires by rotation and is eligible for re-election.

## 2. RESOLUTION 2 – ISSUE OF SHARES TO SUNDANCE RESOURCES

### 2.1 Background

As previously announced to ASX (and considered at the last annual general meeting of the Company and the general meeting of the Company held in March 2003) the Company entered into a sale and purchase agreement with Sundance Resources Limited (**Sundance**) and Focus Minerals Limited for the acquisition by the Company from Sundance of a number of mining tenements (the **Agreement**).

The consideration payable by the Company to Sundance for the acquisition of the tenements is as follows:

(a) $200,000 at settlement of the acquisition of the tenements and the issue of 8,000,000 Shares. This part of the consideration has been completed;

(b) $750,000 on or before 31 December 2003 (the **2003 Payment**); and

(c) $750,000 on or before 31 December 2004 (the **2004 Payment**).

The 2003 Payment has been satisfied.

The 2004 Payment is payable in cash or Shares at the sole discretion of the Company, except that Sundance will be entitled to require, by notice in writing delivered to the Company at least 30 days before the due date for payment, that up to 50% will be paid as Shares.

The issue of the Shares pursuant to the 2004 Payment will be issued at a rate calculated as being 80% of the weighted average market price of the Shares during the 30 days preceding the date of issue of the Shares.

The timing of the issue of the Shares in satisfaction of the 2004 Payment may be adjusted by agreement between the parties taking into account regulatory requirements, minimisation of the effects of stamp duty and other financial effects.

The Company seeks shareholder approval for the issue of Shares in satisfaction of the 2004 Payment in the event that the Company elects to satisfy the 2004 Payment by the issue of Shares.

### 2.2 ASX Listing Rules

ASX Listing Rule 7.1 requires that a company obtain shareholder approval prior to the issue of securities representing more than 15% of the issued capital of the Company. To provide the Company with the flexibility to make future issues of securities, Resolution 2 seeks to authorise the Company to issue up to $750,000 worth of Shares.

The Company seeks Shareholder approval for the purpose of ASX Listing Rule 7.1 so that the issue of Shares to Sundance pursuant to Resolution 2 is not included in the 15% capacity.

The following information is provided for the purposes of ASX Listing Rule 7.3:

(a) the Shares will be issued at an issue price of not less than 80% of the weighted average market price of the Shares sold on ASX over the 30 consecutive days prior to the issue of the Shares on 31 December 2004 or such other date as agreed by the parties to the Agreement (**Issue Price**);

(b) the Company will issue a maximum number of Shares that equals $750,000 divided by the Issue Price;

(c) the Shares will be issued to Sundance or its nominee;

(d) the Shares will be issued no later than 3 months from the date of this Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the allotment will occur on one date; and

(e) no funds will be raised from the issue of the Shares as they are being issued in part consideration for the acquisition of the tenements pursuant to the terms of the Agreement.

## 3. RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES

### 3.1 Background

As announced to ASX on 26 July 2004, the Company entered into a joint venture agreement with Consolidated Nickel Pty Ltd (**Consolidated Nickel**) and Consolidated Minerals Limited (**Consolidated Minerals**) whereby Consolidated Nickel may earn a 65% interest in tenements owned by the Company and a 70% interest in certain minerals produced from a number of tenements owned by the Company (the **Agreement**).

Pursuant to the terms of the Agreement, the Company issued to Consolidated Nickel 7,692,308 Shares in consideration for $1,000,000 (**Share Issue**). The Shares issued pursuant to the Share Issue are voluntarily escrowed for a period of 12 months from their date of issue.

## 3.2 ASX Listing Rules

ASX Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of securities representing more than 15% of the issued capital of that company in any 12 month period.

ASX Listing Rule 7.4.2 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in general meeting ratifies the previous issue of securities made without approval under ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Shareholder ratification for the Share Issue is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without shareholder approval.

Outlined below is the information required to be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4 for the Share Issue:

(a) the number of allotted securities was 7,692,308 Shares;

(b) the Shares were issued at a price of $0.13 per Share;

(c) the allottee of the Shares was Consolidated Nickel Pty Ltd;

(d) $1,000,000 was paid by Consolidated Nickel to the Company for the Share Issue. These funds were used for further delineation drilling at The Mount project and exploration activities on existing interests in Western Australia and general working capital.

(e) the terms and conditions of the Shares allotted and issued were identical to the Company's existing Shares.

# 4. RESOLUTION 4 – ISSUE OF OPTIONS TO DIRECTORS AND NON DIRECTORS

## 4.1 Background

Resolution 4 seeks Shareholder approval for the grant of a total of:

(a) 3,000,000 Options to Ms Catherine (Kate) Hobbs;

(b) 3,000,000 Options to Mr Chuck McCormick;

(c) 210,000 Options to Mr Jack Toby; and

(d) 210,000 Options to Ms Susan Panza.

Ms Hobbs is a Director of the Company, Mr Toby is the Company secretary, Mr McCormick is joint Chief Executive of the Company (together with Ms Hobbs) and Ms Panza is an employee of the Company. The Options are to be issued in recognition of these people's commitments to the Company and, to ensure their ongoing commitment to the development of the Company.

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied for the approval for Resolution 4. These are summarised below.

## 4.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities (including an Option) to a related party of the Company.

If Resolution 4 is passed, securities will be issued to Ms Hobbs (Director), who is a related party of the Company.

Accordingly, approval for the issue of Options to Ms Hobbs (or her nominee) is required pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options to Ms Hobbs (or her nominee) as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of Options to Ms Hobbs (or her nominee) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

(a) the maximum number of Options to be issued by the Company to Ms Hobbs is 3,000,000 (in tranches of 1,000,000 each);

(b) the allottee of the Options will be Ms Kate Hobbs or her nominee;

(c) the terms of the Options are set out in Section 4.5 of the Explanatory Statement;

(d) the Options will be issued not later than 1 month after the date of this Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the Options will be allotted on one date; and

(e) the Options will be issued for no cash consideration and accordingly, there will be no funds raised from the issue of the Options as they will be issued as an incentive for Ms Hobbs to provide dedicated and ongoing commitment to the Company. The non associated Directors of the Company consider that the proposed issue of Options is a cost effective and efficient incentive for Ms Hobbs when compared to other forms of remuneration (eg cash, bonuses or increased remuneration).

## 4.3 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is included in Section 2.2.

The following information is provided for the purposes of ASX Listing Rule 7.3:

(a) the Company will issue a maximum number of 3,420,000 Options in the following amounts:

  (i) 3,000,000 Options to Mr Charles McCormick in 3 separate tranches of 1,000,000 Options each;

(ii) 210,000 Options to Mr Jack Toby in 3 separate tranches of 70,000 Options each; and

(iii) 210,000 Options to Ms Susan Panza in 3 separate tranches of 70,000 Options each;

(b) the Options will be issued to:

(i) Mr Chuck McCormick or his nominee;

(ii) Mr Jack Toby or his nominee; and

(iii) Ms Susan Panza or her nominee;

(c) the Options will be issued no later than 3 months from the date of this Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the allotment will occur on one date;

(d) the Options will be issued for nil cash consideration and accordingly no funds will be raised from the issue of the Options as they are being issued in consideration for the services of Mr McCormick, Mr Toby and Ms Panza to the Company and their ongoing commitment to the Company. The Directors consider that the proposed issue of Options is a cost effective and efficient incentive for employees when compared to other forms of incentive (e.g. cash, bonuses or increased remuneration); and

(e) the terms of the Options to be granted to Mr McCormick, Mr Toby and Ms Panza are as set out in Section 4.5 of this Explanatory Statement.

### 4.4 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions applies.

A "financial benefit" is defined in the Corporations Act in broad terms and includes a public company issuing securities.

For the purposes of Chapter 2E of the Corporations Act, Ms Hobbs is a related party of the Company.

Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party of that company, the public company must:

(a) obtain the approval of members in the way set out in Sections 217 to 227; and

(b) give the benefit within 15 months after the approval.

The Company is seeking Shareholder approval for the purposes of Chapter 2E of the Corporations Act in respect of the Options to be issued to Ms Hobbs (or her nominee).

In accordance with the requirements of Chapter 2E of the Corporations Act and in particular, Section 219 of the Corporations Act, the following information is provided to allow Shareholders to assess the proposed issue of Options:

(a) the proposed financial benefit to be given to Ms Hobbs (or her nominee) is the issue of 3,000,000 Options in 3 separate tranches of 1,000,000 each;

(b) the Options will be issued on the terms set out in Section 4.5 of this Explanatory Statement;

(c) Ms Hobbs declines to make a recommendation to Shareholders about Resolution 4 as she has a material personal interest in the outcome of the Resolution. However, each of the non interested Directors consider that the proposed issue of Options is a cost effective and efficient incentive for Ms Hobbs when compared to other forms of incentive (e.g. cash, bonuses or increased remuneration). The non interested Directors have considered an appropriate number of Options to be granted to Ms Hobbs and has determined that 3,000,000 Options represent a fair and reasonable part for her remuneration package after considering her experience and the current Share price and represents an appropriate recognition for her past efforts for the Company and an appropriate incentive for her efforts in the future;

(d) in the last 12 months prior to the date of this Notice, the highest and lowest closing trading price of the Shares on ASX was $0.24 on 22 October 2003 and $0.07 on 29 September 2004. The latest trading price of the Shares on ASX prior to the date of this Notice was $0.089 on 15 October 2004;

(e) if Shareholders approve the issue of Options to Ms Hobbs and all or any of the Options are exercised, the effect will be to dilute the shareholding of existing Shareholders. The market price for Shares during the term of the Options would normally determine whether or not Ms Hobbs would exercise the Options. Subject to any adjustments arising from any rights issues or bonus issues of securities by the Company, if all the Options are exercised, a total of 3,000,000 Shares will be allotted and issued to Ms Hobbs (or her nominee). This will increase the number of Shares on issue from 226,084,828 to 229,084,828 with the effect that the shareholding of existing Shareholders will be diluted by approximately 1.33% (based on the Company's undiluted capital structure at the date of this Notice);

(f) the value of the Options and the pricing methodology is set out in Section 4.6 of this Explanatory Statement;

(g) the primary purpose of the issue of the Options is to provide an incentive to Ms Hobbs as a Director, to provide dedicated and ongoing commitment and effort to the Company. Given this purpose and bearing in mind the exercise terms of the Options, the Directors (other than Ms Hobbs) do not consider that there are any significant opportunity costs to the Company or benefits forgone by the Company in issuing the Options upon the terms proposed;

(h) the remuneration paid by the Company to Ms Hobbs over the 12 months to 30 June 2004 is $114,679 and superannuation of $10,321. Ms Hobbs' remuneration is pursuant to a consulting agreement with the

Company which was approved by the remunerations committee of the Board. Pursuant to her consulting agreement with the Company, Ms Hobbs's current remuneration is $125,000 (inclusive of superannuation) per annum plus a bonus of $25,000 if Ms Hobbs achieves certain key performance indicators set by the Board;

(i) as at the date of this Notice, Ms Hobbs has an interest in 3,495,918 Shares and nil Options. As at the date of this Notice, the Company has 226,084,828 Shares and 1,500,000 Options on issue. If the Options the subject of Resolution 4 are granted, Ms Hobbs will have an interest in 3,495,918 Shares and 3,000,000 Options; and

(j) the non interested Directors are 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 the resolution.

### 4.5 Terms of Options

The terms of the Options are as follows:

(a) each Option entitles the holder to one fully paid ordinary share in Austminex Ltd (**Company**);

(b) the Options will be issued in 3 separate tranches of:

  (i) in respect of the Options issued to Ms Hobbs and Mr McCormick, 1,000,000 Options per tranche; and

  (ii) in respect of the Options issued to Mr Toby and Mr Panza, 70,000 Options per tranche

(c) the Options will have the following strike prices:

  (i) first tranche: $0.12;

  (ii) second tranche: $0.145; and

  (iii) third tranche: $0.175;

(d) the exercise periods are:

  (i) first tranche: not before 12 months from the date of issue and up to 5 years from the date of issue; and

  (ii) second and third tranches: up to 5 years from the date of issue; and

(e) the Options are transferable;

(f) it is not currently intended that the Company will apply for quotation of the Options on ASX;

(g) all Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options;

(h) there are no participating rights or entitlements inherent in the Options and optionholders will not be entitled to participate in new shares of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of the proposed issue notice of the new issue will be given to optionholders at least seven (7) Business Days before the record date. This will give optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue; and

(i) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of the optionholder will be varied in accordance with the Listing Rules.

**4.6 Details concerning the value of Options**

The Options to be issued to Ms Hobbs are not to be quoted on ASX and as such have no actual market value. The indicative valuation is based on a valuation methodology using the Cox, Ross and Rubenstein option pricing model applying the following assumptions:

a) the exercise periods are:

   i) first tranche: not before 12 months from the date of issue and up to 5 years from the date of issue; and

   ii) second and third tranches: up to 5 years from the date of issue; and

b) an exercise price of $0.12 per Option for the first tranche, $0.145 for the second tranche and $0.175 for the third tranche;

c) the Company's closing Share price of $0.091 as at 11 October 2004;

d) a risk free rate of 5.25%;

e) a closing price volatility rate of 76.7% (based on the last 12 months trading of the Shares);

f) an EWMA volatility rate of 76.7% (based on the last 12 months trading of the Shares);

g) a Lambda (EWMA) volatility rate of 1.000 (based on the last 12 months trading of the Shares); and

h) a GARCH volatility rate of 93% (based on the last 12 months trading of the Shares).

The valuation is determined by calculating a valuation of the Options based on each of the volatility rates and then averaging those amounts. The indicative valuation of the Options has been calculated to be $0.055 per Option for the first tranche, $0.057 for the second tranche and $0.054 for the third tranche.

The valuation ascribed to the Options may not necessarily represent the market price of the Options at the date of the valuation.

The valuation date for the Options is as at 11 October 2004.

## 5. ENQUIRIES

Shareholders are invited to contact the Company Secretary, Mr Jack Toby on (08) 9429 8830 if they have any queries in respect of the matters set out in this Notice.

## GLOSSARY

**ASX** means Australian Stock Exchange Limited (ACN 008 624 691).

**ASIC** means the Australian Securities and Investments Commission.

**Board** means the board of directors of the Company duly appointed in accordance with the Constitution of the Company.

**Company** or Austminex means Austminex Ltd (ABN 56 005 470 799).

**Constitution** means the constitution of the Company.

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

**Director** means a director of the Company.

**Explanatory Statement** means the explanatory statement set out in this Memorandum.

**Listing Rules** means the official listing rules of ASX.

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

**Memorandum** means all of the documents accompanying the Notice and referred to in the Contents section.

**Notice** means the notice of meeting accompanying this Memorandum.

**Option** means an option to acquire a Share on the terms set out in Section 5.4.

**Resolution** means a resolution contained in the Notice.

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

**WST** means Western Standard Time.

**PROXY FORM**

**APPOINTMENT OF PROXY**
**AUSTMINEX LTD**
**ABN 56 005 470 799**

**ANNUAL GENERAL MEETING**

**Appointment of Proxy**

I/We ______________________

being a Member of Austminex Ltd entitled to attend and vote at the Meeting, hereby

Appoint ______________________

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, 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 to be held at 45 Ventnor Avenue, West Perth, Western Australia on 30 November 2004 at 11:30 am (WST) and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of each resolution.

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**Voting on Business of the General Meeting**

| | | FOR | AGAINST | ABSTAIN |
|---|---|---|---|---|
| Resolution 1 | Re-election of a Director – Mr Alan Martin | ☐ | ☐ | ☐ |
| Resolution 2 | Issue of Shares to Sundance Resources Limited | ☐ | ☐ | ☐ |
| Resolution 3 | Ratification of Share Issue | ☐ | ☐ | ☐ |
| Resolution 4 | Issue of Options to Directors and Non Directors | ☐ | ☐ | ☐ |

**OR**

If you do not wish to direct your proxy how to vote, please place a mark in this box ☐

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

**YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.**

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

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

Signed this                day of                2004

**By:**

| **Individuals and joint holders** | **Companies (affix common seal if appropriate)** |
|---|---|
| Signature | Sole Director and Sole Company Secretary |
| Signature | Director/Company Secretary |
| Signature | Director |

**AUSTMINEX LTD**
**ABN 56 005 470 799**

**Instructions for Completing 'Appointment of Proxy' Form**

(d) A member entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.

(e) A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.

(f) Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- 2 directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

(g) Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.

(h) Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.