

NOTICE OF ANNUAL GENERAL MEETING

– and –

EXPLANATORY STATEMENT

– and –

PROXY FORM

DATE AND TIME OF MEETING:
17 NOVEMBER 2008 at 10.00am

VENUE:
City West Function Centre
The Sutherland Room
45 Plaistowe Mews
City West Centre
WEST PERTH WA 6005

These documents should be read in their entirety. If shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor.

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the members of Midwinter Resources NL ("**Midwinter**" or the "**Company**") will be held at City West Function Centre, The Sutherland Room, 45 Plaistowe Mews, Centre West Centre, West Perth, Western Australia 6005, at 10.00am, 17 November 2008.

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

AGENDA

ORDINARY BUSINESS

To receive and consider the financial report of the Company for the period ended 30 June 2008 and the reports by directors and auditors thereon.

To consider and, if thought fit, to pass, with or without modification, the following resolutions:-

1. Resolution 1: "To re-elect Mr Jon O'Callaghan as a Director"

To consider and, if thought fit, to pass, with or without modification, the following ordinary resolution:

To re-elect as a director Mr Jon O'Callaghan who retires in accordance with the Company's Constitution and ASX Listing Rule 14.4, being eligible, offers himself for re-election.

2. Resolution 2: "To re-elect Mr David Seymour as a Director"

To consider and, if thought fit, to pass, with or without modification, the following ordinary resolution:

That Mr David Seymour, being a Director, who retires in accordance with the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, is hereby re-elected as a Director.

3. Resolution 3: "To re-elect Mr Philip Miolin as a Director"

To consider and, if thought fit, to pass, with or without modification, the following ordinary resolution:

That Mr Philip Miolin, being a Director, who retires in accordance with the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, is hereby re-elected as a Director.

4. Resolution 4: “Adoption of Remuneration Report (Non-binding)”

To consider and, if thought fit, to pass, with or without modification, the following advisory only resolution:

“That for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report.”

Short Explanation: The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's annual general meeting. The vote on Resolution 4 is advisory only and does not bind the Directors or the Company.

5. Resolution 5: “Grant of Options to Mr O’Callaghan”

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

“That subject to and conditional on the passing of Resolution 1, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 500,000 Options to Mr Jon O’Callaghan (and/or his nominee(s)), for the purposes, on the terms and conditions and in the manner described in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion: For the purposes of ASX Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution by Mr Jon O’Callaghan and any of his associates. However the Company need not disregard a vote if:

- (a) 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
- (b) 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.

6. Resolution 6: “Grant of Options to Mr Miolin”

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

“That subject to and conditional on the passing of Resolution 3, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 350,000 Options to Mr Philip Miolin (and/or his nominee(s)), for the purposes, on the terms and conditions and in the manner described in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion: For the purposes of ASX Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution by Mr Philip Miolin and any of his associates. However the Company need not disregard a vote if:

- (a) 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
- (b) 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.

7. Resolution 7: "Grant of Options to Mr Seymour"

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

"That subject to and conditional on the passing of Resolution 2, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 350,000 Options to Mr David Seymour (and/or his nominee(s)), for the purposes, on the terms and conditions and in the manner described in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion: For the purposes of ASX Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution by Mr David Seymour and any of his associates. However the Company need not disregard a vote if:

- (a) 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
- (b) 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.

8. Resolution 8: "Change Company Auditor"

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

"That for the purposes of section 327B of the Corporations Act and for all other purposes, RLF Bentleys Audit & Corporate Pty Ltd is appointed as the Company's auditor."

PROXIES

1. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of the member. If two proxies are appointed, and a member does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half the votes. A proxy need not be a member of the Company.
2. In order to vote on behalf of a company that is a shareholder of Midwinter, a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.
3. Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged at the registered office of the Company, at Level 1, 22 Oxford Close, West Leederville Western Australia 6007, or by facsimile (61 8) 9381 5911 not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.
4. An instrument appointing a proxy:
 - a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;

- b) may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument;
- c) shall be deemed to confer authority to demand or join in demanding a poll;
- d) shall be in such form as the Directors determine and which complies with Section 250A of the Corporations Act 2001;
- e) proxies appointing the Chairman which do not specify the way in which the proxy is to vote on a particular resolution will be recorded as voting in favour of the resolutions.

ATTENDANCE AND VOTING ELIGIBILITY

For the purpose of regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that Shares held at 5.00pm WST on Friday, 14 November 2008 will be taken, for the purposes of this Annual General Meeting, to be held by the persons who held them at that time.

BY ORDER OF THE BOARD

Piers Lewis
Company Secretary
Dated: 14 October 2008

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders of Midwinter Resources NL ("Midwinter" or the "Company") in connection with Resolutions 1 to 8 of the Annual General Meeting of members to be held at City West Function Centre, The Sutherland Room, 45 Plaistowe Mews, Centre West Centre, West Perth, Western Australia 6005, at 10.00am, 17 November 2008.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting and forms part of the Notice of Meeting. Please refer to Section 10 of this Explanatory Memorandum for a glossary of terms.

1. ACCOUNTS AND REPORTS

As required under Section 317 of the Corporations Act, the annual financial report (which includes the financial statements and directors' declarations) for the year ended 30 June 2008 will be laid before the annual general meeting of the Company.

Shareholders will be given the opportunity to ask questions and make comments about the reports or the Company generally, but there will be no formal resolution submitted to the meeting.

2. RESOLUTION 1: "TO RE-ELECT MR JON O'CALLAGHAN AS A DIRECTOR"

Resolution 1 seeks approval for the election of Mr Jon O'Callaghan, who retires in accordance with the Company's Constitution and ASX Listing Rule 14.4, being eligible, offers himself for re-election as a Director of the Company, with effect from the end of the meeting.

Mr O'Callaghan has two decades of business experience, primarily as a corporate financier to emerging natural resource companies. His experience includes initiating, structuring, managing and capitalising a broad range of transactions including IPOs and secondary capital raisings, stock exchange listings, asset acquisitions and divestments, takeovers and re organisations.

Mr O'Callaghan has played a key role in the inception, growth and development of numerous companies, including three that have gone on to become S&P/ASX Top 200 companies. Now based in London, he continues to draw on his extensive network and business experience to identify and secure exceptional natural resource projects.

3. RESOLUTION 2: "TO RE-ELECT MR DAVID SEYMOUR AS A DIRECTOR"

Resolution 2 seeks approval for the election of Mr David Seymour, who retires in accordance with the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election as a Director of the Company, with effect from the end of the meeting.

Mr Seymour has over 25 years experience at executive level in the financial markets primarily in Investment banking and equities. He spent 10 years as a director of Capital Markets with UBS as well as holding positions as a Treasurer and General Manager with other financial institutions.

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

Mr Seymour has experience in equity/capital markets raisings, due diligence, risk management and ASX compliance and regulatory requirements combined with an extensive knowledge of global interest rate markets.

4. RESOLUTION 3: "TO RE-ELECT MR PHILIP MIOLIN AS A DIRECTOR"

Resolution 3 seeks approval for the election of Mr Miolin, who retires in accordance with the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election as a Director of the Company, with effect from the end of the meeting.

Mr Miolin has a Bachelor of Arts and is presently actively involved in the Arts. He has a Graduate Diploma in Education and is a sessional lecturer at Curtin University. He has a long history of involvement in the resources sector and is a long term investor in Australian mining stocks.

5. RESOLUTION 4 – ADOPT REMUNERATION REPORT

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report be adopted to vote at the Annual General Meeting. The vote on Resolution 4 is advisory only and does not bind the Directors or the Company.

The Remuneration Report includes all of the information required by Section 300A of the Corporations Act, including:

- board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of directors, secretaries and senior managers of the Company;
- discussion of the relationship between such policy and the Company's performance; and
- the prescribed details in relation to the remuneration of each Director and certain executives.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

6. RESOLUTION 5 – APPROVAL OF ISSUE OF OPTIONS TO MR O'CALLAGHAN

6.1 Background to Resolution 5

Resolution 5 seeks Shareholder approval for the issue of 500,000 Options (Director Options) to Mr Jon O'Callaghan (and/or his nominee(s)) as part of his remuneration package. The Options are proposed to be issued to Mr O'Callaghan as an incentive to provided dedicated and ongoing services to Midwinter.

Resolution 5 is subject to and conditional on the re-election of Mr Callaghan pursuant to Resolution 1.

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied in connection with the proposed issue of securities to Mr O'Callaghan. These are summarised below.

6.2 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 5 is passed, securities will be issued to Mr O'Callaghan, who will be a related party of the Company. Accordingly, approval for the proposed issue of Shares and Options to Mr O'Callaghan is required pursuant to ASX Listing Rule 10.11.

In accordance with ASX Listing Rule 7.2 Exception 14, approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the securities to Mr O'Callaghan as approval is being obtained under ASX Listing Rule 10.11. ASX Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period. Shareholders should note that the issue of securities to Mr O'Callaghan 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 of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) the Options will be issued to Mr Jon O'Callaghan and/ or his nominee(s).
- (b) the maximum number of Options to be issued by the Company under this Resolution is 500,000 Options.
- (c) the Options be issued no later than one month after the date of the Meeting or such later date to the extent permitted by any ASX waiver;
- (d) the Options will be issued for no cash consideration;
- (e) the Options will have an exercise price of \$0.30 each and expire five years from the date of issue. The Options will otherwise be issued on the terms and conditions set out in Section 6.4 below; and
- (f) no funds will be raised from the issue of the Options as the purpose of the issue is to give Mr O'Callaghan an incentive to provide dedicated and ongoing commitment to the Company.

6.3 Section 208 of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions set out in sections 210 to 216 of the Corporations Act apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

The proposed issue of 500,000 Options to Mr O'Callaghan constitutes a "financial benefit" as defined the Corporations Act. Further, Mr O'Callaghan will be a "related party" of the Company as defined under the Corporations Act. Accordingly, the

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

proposed issue of Options to Mr O'Callaghan pursuant to Resolution 5 will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the Directors that the exceptions under the Corporations Act to the provision of a financial benefit to a related party may not apply in the current circumstances. The Directors have determined to seek Shareholder approval under Section 208 of the Corporations Act to permit the issue of the securities to Mr O'Callaghan on the terms of Resolution 5.

Sections 217 to 227 of the Corporations Act

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefit to be given to Mr O'Callaghan:

- (a) the related party to whom the financial benefit will be given is Mr Jon O'Callaghan who is the Chairman of the Company;
- (b) the maximum number of securities (being the nature of the financial benefit to be provided) to be issued is 500,000 Options;
- (c) in resolving to issue the securities to Mr O'Callaghan, subject to obtaining Shareholder approval, the Directors (other than Mr O'Callaghan) considered Mr O'Callaghan's experience and the market price of the Shares;
- (d) none of the Directors other than Mr O'Callaghan has a material personal interest in the subject matter of Resolution 5. Each of the Directors other than Mr O'Callaghan recommends that Shareholders vote in favour of Resolution 5;
- (e) Mr O'Callaghan is paid \$50,000 per annum for his services as the Chairman of the Company;
- (f) Mr O'Callaghan currently has 1 Ordinary Share and no Options;
- (g) if Shareholders approve the issue of securities to Mr O'Callaghan and all of the Options are exercised, the effect will be to dilute the shareholding of existing Shareholders by approximately 2.1% on an undiluted basis and based on the number of Shares on issue as at 9 October 2008. The market price for Shares during the term of the Options would normally determine whether or not Mr O'Callaghan exercises the Options. If, at the time any of the Options are exercised, the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company. The highest, lowest and last trading prices of Shares on ASX during the last 12 months are set out below:

	Date	Price
Highest	30 October 2007	\$0.40
Lowest	21 May 2008	\$0.10
Last	9 October 2008	\$0.125

- (h) ASIC in reviewing documents lodged under section 218 relating to the giving of financial benefits to related parties of public companies requires explanatory information regarding the value of the options proposed to be granted. The value of the Director Options has been calculated using the Black-Scholes Option pricing model and is set out in Section 6.5 below; and

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

- (i) Additional information in relation to Resolutions 5 is set out throughout this Explanatory Memorandum. Shareholders should therefore read the Notice and Explanatory Memorandum in its entirety before making a decision as to how to vote on Resolution 5.

6.4 Terms and Conditions of Director Options

The material terms and conditions of the Director Options are as follows:

- (a) each Director Option entitles the holder, on exercise, to one Share;
- (b) the Director Options will expire five years after their issue (Expiry Date);
- (c) the exercise price of each Director Option is \$0.30;
- (d) the Director Options are exercisable at any time on or prior to the Expiry Date by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Director Options are exercised to the registered office of the Company;
- (e) a Director Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director Option can be exercised;
- (f) all Shares issued upon exercise of the Director Options will rank pari passu in all respects with the Company's then issued Shares.
- (g) the Company will not apply for quotation of the Director Options on ASX, however it will apply for quotation of all Shares issued upon exercise of the Director Options;
- (h) there are no participating rights or entitlements inherent in the Director Options and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Director Option holders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue; and
- (i) if at any time the issued capital of the Company is reconstructed, all rights of a Director Option holder are to be changed in a manner consistent with the ASX Listing Rules.

6.5 Valuation of the Director Options

It is a requirement of ASIC that a dollar value be placed on the Options proposed to be issued to Mr O'Callaghan for inclusion in this Explanatory Memorandum. ASIC has indicated that the Black-Scholes Option Pricing Model is acceptable.

The Options have been valued using the Black-Scholes pricing model by Moore Stephens Perth Corporate Services Pty Ltd based upon the following assumptions:

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

- (a) the Options expire five years from the date of issue and are exercisable at \$0.30 each;
- (b) a volatility factor of 190.7% based on the historical volatility of the Company's Share price;
- (c) a risk free interest rate of 6.00%; and
- (d) the valuation date for the Options was 13 October 2008 and the trading price of the Shares on that date was \$0.07.

Based on the above, the securities proposed to be issued to Mr O'Callaghan pursuant to Resolution 5 have been valued as follows:

500,000 Options	\$32,990 (13 October 2008)
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6.6 Directors' Recommendations

None of the Directors (other than Mr Callaghan) have any personal interest in the outcome of Resolution 5. The Directors (other than Mr Callaghan) believe that the proposed transaction is beneficial to the Company as it will provide appropriate incentives to Mr O'Callaghan and is consistent with the philosophy held by the Directors that the future success of the Company will depend in large measure on the skills and motivation of the people engaged in and overseeing the management of the Company's operations and that it is therefore important that the Company is able to attract and retain people of the highest calibre.

The Directors consider that the most appropriate means of achieving this is to reward Directors for their performance, to provide Directors with an opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth and to maximise returns to Shareholders.

The Directors (other than Mr Callaghan) believe that the number and terms of the Options to be issued pursuant to Resolution 5 are commercial for the Company in light of the potential benefits, dilution effect and potential costs described in Section 6.3 above, and recommend Shareholders vote in favour of Resolution 5. Mr Callaghan has abstained from considering or making any recommendation in respect of Resolution 5 due to his material personal interest.

7. RESOLUTION 6 – APPROVAL OF ISSUE OF OPTIONS TO MR MIOLIN

7.1 Background to Resolution 6

Resolution 6 seeks Shareholder approval for the issue of 350,000 Options (Director Options) to Mr Philip Miolin (and/or his nominee(s)) as part of his remuneration package. The Options are proposed to be issued to Mr Miolin as an incentive to provided dedicated and ongoing services to Midwinter.

Resolution 6 is subject to and conditional on the re-election of Mr Miolin pursuant to Resolution 3.

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied in connection with the proposed issue of securities to Mr Miolin. These are summarised below.

7.2 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 6 is passed, securities will be issued to Mr Miolin, who will be a related party of the Company. Accordingly, approval for the proposed issue of Options to Mr Miolin is required pursuant to ASX Listing Rule 10.11.

In accordance with ASX Listing Rule 7.2 Exception 14, approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the securities to Mr Miolin as approval is being obtained under ASX Listing Rule 10.11. ASX Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period. Shareholders should note that the issue of securities to Mr Miolin 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 of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 6:

- (a) the Options will be issued to Mr Philip Miolin and/ or his nominee(s).
- (b) the maximum number of Options to be issued by the Company under this Resolution is 350,000 Options.
- (c) the Options be issued no later than one month after the date of the Meeting or such later date to the extent permitted by any ASX waiver;
- (d) the Options will be issued for no cash consideration;
- (e) the Options will have an exercise price of \$0.30 each and expire five years from the date of issue. The Options will otherwise be issued on the terms and conditions set out in Section 7.4 below; and
- (f) no funds will be raised from the issue of the Options as the purpose of the issue is to give Mr Miolin an incentive to provide dedicated and ongoing commitment to the Company.

7.3 Section 208 of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions set out in sections 210 to 216 of the Corporations Act apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

The proposed issue of 350,000 Options to Mr Miolin constitutes a "financial benefit" as defined the Corporations Act. Further, Mr Miolin will be a "related party" of the Company as defined under the Corporations Act. Accordingly, the proposed issue of options to Mr Miolin pursuant to Resolution 6 will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the Directors that the exceptions under the Corporations Act to the provision of a financial benefit to a related party may not apply in the current circumstances. The Directors have determined to seek Shareholder approval under Section 208 of the Corporations Act to permit the issue of the securities to Mr Miolin on the terms of Resolution 6.

Sections 217 to 227 of the Corporations Act

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefit to be given to Mr Miolin:

- (a) the related party to whom the financial benefit will be given is Mr Philip Miolin who is a Director of the Company;
- (b) the maximum number of securities (being the nature of the financial benefit to be provided) to be issued is 350,000 Options;
- (c) in resolving to issue the securities to Mr Miolin, subject to obtaining Shareholder approval, the Directors (other than Mr Miolin) considered Mr Miolin's experience and the market price of the Shares;
- (d) none of the Directors other than Mr Miolin has a material personal interest in the subject matter of Resolution 6. Each of the Directors other than Mr Miolin recommends that Shareholders vote in favour of Resolution 6;
- (e) Mr Miolin is paid \$35,000 per annum for his services as Director of the Company;
- (f) Mr Miolin currently has 100,001 Ordinary Shares, 100,000 Partly Paid Contributing Shares and 100,000 25 cent 30 Sept 2008 Options;
- (g) if Shareholders approve the issue of securities to Mr Miolin and all of the Options are exercised, the effect will be to dilute the shareholding of existing Shareholders by approximately 1.5% on an undiluted basis and based on the number of Shares on issue as at 9 October 2008. The market price for Shares during the term of the Options would normally determine whether or not Mr Miolin exercises the Options. If, at the time any of the Options are exercised, the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company. The highest, lowest and last trading prices of Shares on ASX during the last 12 months are set out below:

	Date	Price
Highest	30 October 2007	\$0.40
Lowest	21 May 2008	\$0.10
Last	9 October 2008	\$0.125

- (h) ASIC in reviewing documents lodged under section 218 relating to the giving of financial benefits to related parties of public companies requires explanatory information regarding the value of the options proposed to be granted. The

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

value of the Director Options has been calculated using the Black-Scholes Option pricing model and is set out in Section 7.5 below; and

- (i) Additional information in relation to Resolutions 6 is set out throughout this Explanatory Memorandum. Shareholders should therefore read the Notice and Explanatory Memorandum in its entirety before making a decision as to how to vote on Resolution 6.

7.4 Terms and Conditions of Director Options

The material terms and conditions of the Director Options are as follows:

- (a) each Director Option entitles the holder, on exercise, to one Share;
- (b) the Director Options will expire five years after their issue (Expiry Date);
- (c) the exercise price of each Director Option is \$0.30;
- (d) the Director Options are exercisable at any time on or prior to the Expiry Date by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Director Options are exercised to the registered office of the Company;
- (e) a Director Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director Option can be exercised;
- (f) all Shares issued upon exercise of the Director Options will rank *pari passu* in all respects with the Company's then issued Shares.
- (g) the Company will not apply for quotation of the Director Options on ASX, however it will apply for quotation of all Shares issued upon exercise of the Director Options;
- (h) there are no participating rights or entitlements inherent in the Director Options and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Director Option holders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue; and
- (i) if at any time the issued capital of the Company is reconstructed, all rights of a Director Option holder are to be changed in a manner consistent with the ASX Listing Rules.

7.5 Valuation of the Director Options

It is a requirement of ASIC that a dollar value be placed on the Options proposed to be issued to Mr Miolin for inclusion in this Explanatory Memorandum. ASIC has indicated that the Black-Scholes Option Pricing Model is acceptable.

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

The Options have been valued using the Black-Scholes by Moore Stephens Perth Corporate Services Pty Ltd pricing model based upon the following assumptions:

- (a) the Options expire five years from the date of issue and are exercisable at \$0.30 each;
- (b) a volatility factor of 190.7% based on the historical volatility of the Company's Share price;
- (c) a risk free interest rate of 6.00%; and
- (d) the valuation date for the Options was 13 October 2008 and the trading price of the Shares on that date was \$0.07.

Based on the above, the securities proposed to be issued to Mr Miolin pursuant to Resolution 6 have been valued as follows:

350,000 Options	\$23,093 (13 October 2008)
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7.6 Directors' Recommendations

The Directors (other than Mr Miolin) do not have any personal interest in the outcome of Resolution 6. The Directors (other than Mr. Miolin) believe that the proposed transaction is beneficial to the Company as it will provide appropriate incentives to Mr Miolin and is consistent with the philosophy held by the Directors that the future success of the Company will depend in large measure on the skills and motivation of the people engaged in and overseeing the management of the Company's operations and that it is therefore important that the Company is able to attract and retain people of the highest calibre.

The Directors consider that the most appropriate means of achieving this is to reward Directors for their performance, to provide Directors with an opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth and to maximise returns to Shareholders.

The Directors (other than Mr Miolin) believe that the number and terms of the Options to be issued pursuant to Resolution 6 are commercial for the Company in light of the potential benefits, dilution effect and potential costs described in Section 7.3 above, and recommend Shareholders vote in favour of Resolution 6. Mr Miolin has abstained from considering or making any recommendation in respect of Resolution 6 due to his material personal interest.

8. RESOLUTION 7 – APPROVAL OF ISSUE OF OPTIONS TO MR SEYMOUR

8.1 Background to Resolution 7

Resolution 7 seeks Shareholder approval for the issue of 350,000 Options (Director Options) to Mr David Seymour (and/or his nominee(s)) as part of his remuneration package. The options are proposed to be issued to Mr Seymour as an incentive to provided dedicated and ongoing services to Midwinter.

Resolution 7 is subject to and conditional on the re-election of Mr Seymour pursuant to Resolution 2.

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied in connection with the proposed issue of securities to Mr Seymour. These are summarised below.

8.2 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 7 is passed, securities will be issued to Mr Seymour, who will be a related party of the Company. Accordingly, approval for the proposed issue of Shares and Options to Mr Seymour is required pursuant to ASX Listing Rule 10.11.

In accordance with ASX Listing Rule 7.2 Exception 14, approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the securities to Mr Seymour as approval is being obtained under ASX Listing Rule 10.11. ASX Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of shareholders is required for an issue of securities by a company if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period. Shareholders should note that the issue of securities to Mr Seymour 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 of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 7:

- (a) the Options will be issued to Mr David Seymour and/ or his nominee(s).
- (b) the maximum number of Options to be issued by the Company under this Resolution is 350,000 Options.
- (c) the Options be issued no later than one month after the date of the Meeting or such later date to the extent permitted by any ASX waiver;
- (d) the Options will be issued for no cash consideration;
- (e) the Options will have an exercise price of \$0.30 each and expire five years from the date of issue. The Options will otherwise be issued on the terms and conditions set out in Section 8.4 below; and
- (f) no funds will be raised from the issue of the Options as the purpose of the issue is to give Mr Seymour an incentive to provide dedicated and ongoing commitment to the Company.

8.3 Section 208 of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions set out in sections 210 to 216 of the Corporations Act apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

The proposed issue of 350,000 Options to Mr Seymour constitutes a "financial benefit" as defined the Corporations Act. Further, Mr Seymour will be a "related party" of the Company as defined under the Corporations Act. Accordingly, the proposed issue of options to Mr Seymour pursuant to Resolution 7 will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the Directors that the exceptions under the Corporations Act to the provision of a financial benefit to a related party may not apply in the current circumstances. The Directors have determined to seek Shareholder approval under Section 208 of the Corporations Act to permit the issue of the securities to Mr Seymour on the terms of Resolution 7.

Sections 217 to 227 of the Corporations Act

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefit to be given to Mr Seymour:

- (a) the related party to whom the financial benefit will be given is Mr David Seymour who is a Director of the Company;
- (b) the maximum number of securities (being the nature of the financial benefit to be provided) to be issued is 350,000 Options;
- (c) in resolving to issue the securities to Mr Seymour, subject to obtaining Shareholder approval, the Directors (other than Mr Seymour) considered Mr Seymour's experience and the market price of the Shares;
- (d) none of the Directors other than Mr Seymour has a material personal interest in the subject matter of Resolution 7. Each of the Directors other than Mr Seymour recommends that Shareholders vote in favour of Resolution 7;
- (e) Mr Seymour is paid \$35,000 per annum for his services as Director of the Company;
- (f) Mr Seymour currently has 220,000 Ordinary Shares, 100,000 Partly Paid Contributing Shares and 160,000 25 cent 30 Sept 2008 Options;
- (g) if Shareholders approve the issue of securities to Mr Seymour and all of the Options are exercised, the effect will be to dilute the shareholding of existing Shareholders by approximately 1.5% on an undiluted basis and based on the number of Shares on issue as at 9 October 2008. The market price for Shares during the term of the Options would normally determine whether or not Mr Seymour exercises the Options. If, at the time any of the Options are exercised, the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company. The highest, lowest and last trading prices of Shares on ASX during the last 12 months are set out below:

	Date	Price
Highest	30 October 2007	\$0.40
Lowest	21 May 2008	\$0.10
Last	9 October 2008	\$0.125

- (h) ASIC in reviewing documents lodged under section 218 relating to the giving of financial benefits to related parties of public companies requires explanatory

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

information regarding the value of the options proposed to be granted. The value of the Director Options has been calculated using the Black-Scholes Option pricing model and is set out in Section 8.5 below; and

- (i) Additional information in relation to Resolutions 7 is set out throughout this Explanatory Memorandum. Shareholders should therefore read the Notice and Explanatory Memorandum in its entirety before making a decision as to how to vote on Resolution 7.

8.4 Terms and Conditions of Director Options

The material terms and conditions of the Director Options are as follows:

- (a) each Director Option entitles the holder, on exercise, to one Share;
- (b) the Director Options will expire five years after their issue (Expiry Date);
- (c) the exercise price of each Director Option \$0.30;
- (d) the Director Options are exercisable at any time on or prior to the Expiry Date by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Director Options are exercised to the registered office of the Company;
- (e) a Director Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director Option can be exercised;
- (f) all Shares issued upon exercise of the Director Options will rank pari passu in all respects with the Company's then issued Shares.
- (g) the Company will not apply for quotation of the Director Options on ASX, however it will apply for quotation of all Shares issued upon exercise of the Director Options;
- (h) there are no participating rights or entitlements inherent in the Director Options and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Director Option holders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue; and
- (i) if at any time the issued capital of the Company is reconstructed, all rights of a Director Option holder are to be changed in a manner consistent with the ASX Listing Rules.

8.5 Valuation of the Director Options

It is a requirement of ASIC that a dollar value be placed on the Options proposed to be issued to Mr Seymour for inclusion in this Explanatory Memorandum. ASIC has indicated that the Black-Scholes Option Pricing Model is acceptable.

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

The Options have been valued using the Black-Scholes pricing model by Moore Stephens Perth Corporate Services Pty Ltd based upon the following assumptions:

- (a) the Options expire five years from the date of issue and are exercisable at \$0.30 each;
- (b) a volatility factor of 190.7% based on the historical volatility of the Company's Share price;
- (c) a risk free interest rate of 6.00%; and
- (d) the valuation date for the Options was 13 October 2008 and the trading price of the Shares on that date was \$0.07.

Based on the above, the securities proposed to be issued to Mr Seymour pursuant to Resolution 7 have been valued as follows:

350,000 Options	\$23,093 (13 October 2008)
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8.6 Directors' Recommendations

The Directors (other than Mr Seymour) do not have any personal interest in the outcome of Resolution 7. The Directors (other than Mr Seymour) believe that the proposed transaction is beneficial to the Company as it will provide appropriate incentives to Mr Seymour and is consistent with the philosophy held by the Directors that the future success of the Company will depend in large measure on the skills and motivation of the people engaged in and overseeing the management of the Company's operations and that it is therefore important that the Company is able to attract and retain people of the highest calibre.

The Directors consider that the most appropriate means of achieving this is to reward Directors for their performance, to provide Directors with an opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth and to maximise returns to Shareholders.

The Directors (other than Mr Seymour) believe that the number and terms of the Options to be issued pursuant to Resolution 7 are commercial for the Company in light of the potential benefits, dilution effect and potential costs described in Section 8.3 above, and recommend Shareholders vote in favour of Resolution 7.

Mr Seymour has abstained from considering or making any recommendation in respect of Resolution 7 due to his material personal interest.

9. RESOLUTION 8 – CHANGE COMPANY AUDITOR

Rix Levy Fowler Partnership ("RLF") recently merged with Bentleys and the audit practice is now carried on through RLF Bentleys Audit & Corporate Pty Ltd ("RLF Bentleys"). RLF have given notice of their intention to resign as auditor of the Company pursuant to section 329(5) of the Corporations Act, subject to receipt of the consent of ASIC and Shareholder approval of Resolution 8.

Subject to ASIC consenting to the resignation of RLF and RLF submitting a resignation to the Company, it is proposed that the Company appoint RLF Bentleys as auditor of the Company. In accordance with section 328B(1) of the Corporations Act, the

Midwinter Resources NL
ABN 29 126 129 413
EXPLANATORY STATEMENT

Company has sought and obtained a nomination from a Shareholder for RLF Bentleys to be appointed as the Company's auditor. In accordance with Section 328B(3) of the Corporations Act, a copy of the nomination is attached to this Explanatory Statement as Annexure A.

RLF Bentleys has given its written consent to act as the Company's auditor subject to Shareholder approval of Resolution 8. If Resolution 8 is passed, the appointment of RLF Bentleys as the Company's auditor will take effect at the close of the Meeting.

ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Explanatory Statement carefully before deciding how to vote on each Resolution.

Attached to the Notice of Meeting is a proxy form for use by Shareholders. Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to complete, sign and return the proxy form to the Company in accordance with the instructions contained in the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a shareholder from attending and voting at the Meeting in person.

Enquiries

All enquiries in relation to the contents of the Notice of Meeting or Explanatory Statement should be directed to the Company Secretary, Mr Piers Lewis (telephone: +618 9388 2967).

Midwinter Resources NL
ABN 29 126 129 413

10. GLOSSARY OF TERMS

In this Explanatory Statement:

“ACN”	Australian Company Number
“ASIC”	Australian Securities and Investments Commission.
“ASX”	ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.
“ASX Listing Rules” or “Listing Rules”	The Official Listing Rules of ASX as amended from time to time.
“Corporations Act”	The Corporations Act 2001 (Commonwealth).
“Director”	A director of Midwinter Resources NL.
“Midwinter” or “Company”	Midwinter Resources NL (ABN 29 126 129 413).
“Meeting”	The Meeting of the Company to be held on 17 November 2008.
“Notice of Meeting”	The notice convening the Meeting, which accompanies this Explanatory Statement.
“Option”	An option to acquire a Share.
“Resolutions”	Resolutions in the Notice of Meeting.
“Share”	A fully paid ordinary share in the capital of the Company.
“Shareholder”	The registered holder of a Share in the Company.

Midwinter Resources NL

ABN 29 126 129 413

Annexure A

Nomination from a Shareholder for the Appointment of a New Auditor

14 October 2008

The Company Secretary
Midwinter Resources NL
Level 1, 22 Oxford Close
West Leederville WA 6007

Dear Sirs

Nomination of RLF Bentleys Audit & Corporate Pty Ltd as Auditor of Midwinter Resources NL

I, _____, being a shareholder of Midwinter Resources NL, hereby nominate RLF Bentleys Audit & Corporate Pty Ltd for appointment as auditor of Midwinter Resources NL at its 2008 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting and Explanatory Statement for the 2008 Annual General Meeting of Midwinter Resources NL as required by section 328B(3) of the Corporations Act 2001.

Midwinter Resources NL

ABN 29 126 129 413

PROXY FORM

The Secretary
Midwinter Resources NL
Level 1, 22 Oxford Close
West Leederville WA 6007

being a member/members of Midwinter Resources NL (the "Company") hereby appoint

_____ print proxy's name in full

of _____

_____ print proxy's address

and (if you wish to appoint two proxies

_____ print second proxy's name in full

of _____

_____ print second proxy's address

or, in the proxy's/proxies' absence or if no other appointee is mentioned, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at City West Function Centre, The Sutherland Room, 45 Plaistowe Mews, Centre West Centre, West Perth, Western Australia 6005, at 10.00am, 17 November 2008 and at any adjournment of that meeting in respect ofof my/our shares or, failing any number being specified, ALL of my/our shares.

If you do not wish to direct your proxy how to vote, please place a cross in the 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 that interest.

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Proxies appointing the Chairman which do not specify the way in which the proxy is to vote on a particular resolution will be recorded as voting in favour of the resolutions.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a resolution, the proxy may abstain or vote at his or her discretion.

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

ORDINARY BUSINESS RESOLUTION

1. Election of Director – Mr O'Callaghan
2. Election of Director – Mr Seymour
3. Election of Director – Mr Miolin
4. Adoption of Remuneration Report
5. Grant of Options – Mr O'Callaghan
6. Grant of Options – Mr Miolin
7. Grant of Options – Mr Seymour
8. Change of Auditor

FOR

AGAINST

ABSTAIN

- Note:
1. If you have appointed two proxies the proportion of your voting rights allocated to each proxy is:
Proxy No. 1 _____% Proxy No. 2 _____%.
 2. If the appointment of a proxy is signed by the appointor's attorney, this form must be accompanied by the authority under which the appointment was signed, or a certified copy of the authority.

The completed Form of proxy may be:

- Mailed to the address on this form; or
- Faxed to the Company on (08) 9381 5911

Midwinter Resources NL

ABN 29 126 129 413

PROXY FORM

Signed this day of 2008

If a natural person:

SIGNED

in the presence of:

by)

)

)

(Signature)

(Signature of Witness)

(Name of Witness in full)

If a Company:

EXECUTED in accordance with section 127)
of the Corporations Act)
by)
ACN)

(Signature of Secretary/other Director)

(Signature of Director/Sole Director)

(Name of Secretary/other Director in full)

(Name of Director/Sole Director in full)

PROXY VOTES

A vote given in accordance with the terms of an instrument or proxy is valid notwithstanding the previous death or unsoundness of mind of the principal, the revocation of the instrument (or the authority under which the instrument was executed), or the transfer of the Share in respect of which the instrument or power is given, if no intimation in writing of the death, unsoundness of mind, revocation or transfer has been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the instrument is used or the power is exercised.

REPRESENTATIVES OF CORPORATE SHAREHOLDERS

A body corporate ("the Appointor") that is a Shareholder may authorise, in accordance with Section 250D of the Corporations Act 2001, by resolution of its Directors or other governing body such person or persons as it may determine to act as its Representative at any Meeting of the Company or of any class of Shareholders. A person so authorised shall be entitled to exercise all the rights and privileges of the Appointor as a Shareholder. When a Representative is present at a Meeting of the Company, the Appointor shall be deemed to be personally present at the Meeting unless the Representative is otherwise entitled to be present at the Meeting.