
MIDWINTER RESOURCES NL

ACN 126 129 413

NOTICE OF GENERAL MEETING

TIME: 9:30am WST

DATE: 26 August 2013

PLACE: 150 Great Eastern Highway
Ascot WA 6104

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss the matters in this Notice of General Meeting please do not hesitate to contact the Company Secretary on (08) 9322 6283.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting will be held at 9:30am WST on 26 August 2013 at:

150 Great Eastern Highway
Ascot WA 6104

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and either send the proxy form:

- (a) by post, to Midwinter Resources NL, Suite 3, 23 Belgravia Street, Belmont, Western Australia 6104; or
- (b) by facsimile, to the Company on facsimile number (08) 9475 0847,

so that it is received not later than **9:30am WST on 24 August 2013.**

Proxy forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of shareholders of Midwinter Resources NL will be held at 150 Great Eastern Highway, Ascot WA 6104 at 9:30am WST on 26 August 2013.

The Explanatory Memorandum provides additional information on matters to be considered at the General Meeting. The proxy form and Explanatory Memorandum form part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Resolutions 1 and 2 are interdependent and each of Resolution 1 and 2 will only be effective if both Resolutions are passed.

1. Resolution 1 – Change to scale of activities

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

"That, subject to Resolution 2 being passed and, for the purposes of Listing Rule 11.1.2 and for all other purposes, the Company be authorised to make a significant change in the scale of its activities by acquiring an interest in the Mantos Grandes Project, as set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary shares) if the resolution is passed, and any associate 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

2. Resolution 2 – Equity capital raising

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

"That, subject to Resolution 1 being passed and, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the placement of up to 20,000,000 Shares to sophisticated and other exempt investors (who are not related parties of the Company), on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue, as set out in the Explanatory Memorandum, and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary shares) if the resolution is passed, and any associate 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

3. **Resolution 3 – Change of Company name**

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

"That, subject to Resolution 1 and Resolution 2 being passed, with effect from the date that ASIC alters the details of the Company's registration in accordance with section 157 of the Corporations Act, the name of the Company be changed to Cobre Montana NL."

4. **Resolution 4 – Approval to issue Shares under the Director and Senior Management Fee and Remuneration Sacrifice Share Plan**

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 7.2 Exception 9 and for all other purposes, Shareholders approve the Director and Senior Management Fee and Remuneration Sacrifice Share Plan and the issue of Shares to participants under that plan, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director (or their nominee(s)), except one who is ineligible to participate in any employee incentive scheme in relation to the Company, as set out in the Explanatory Memorandum, and any associate 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

5. **Resolution 5 – Approval to permit the participation of Mr Adrian Griffin in the Director and Senior Management Fee and Remuneration Sacrifice Share Plan**

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 10.14 and for all other purposes, the Company is authorised to issue Shares to Mr Adrian Griffin (or his nominee(s)) pursuant to the Director and Senior Management Fee and Remuneration Sacrifice Share Plan, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director (or their nominee(s)), except one who is ineligible to participate in any employee incentive scheme in relation to the Company, as set out in the Explanatory Memorandum, and any associate 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

6. Resolution 6 – Approval to permit the participation of Mr Martin Pyle in the Director and Senior Management Fee and Remuneration Sacrifice Share Plan

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 10.14 and for all other purposes, the Company is authorised to issue Shares to Mr Martin Pyle (or his nominee(s)) pursuant to the Director and Senior Management Fee and Remuneration Sacrifice Share Plan, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director (or their nominee(s)), except one who is ineligible to participate in any employee incentive scheme in relation to the Company, as set out in the Explanatory Memorandum, and any associate 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

7. Resolution 7 – Approval to permit the participation of Mr Bryan Dixon in the Director and Senior Management Fee and Remuneration Sacrifice Share Plan

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 10.14 and for all other purposes, the Company is authorised to issue Shares to Mr Bryan Dixon (or his nominee(s)) pursuant to the Director and Senior Management Fee and Remuneration Sacrifice Share Plan, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director (or their nominee(s)), except one who is ineligible to participate in any employee incentive scheme in relation to the Company, as set out in the Explanatory Memorandum, and any associate 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

8. Resolution 8 – Approval to permit the participation of Mr David Seymour in the Director and Senior Management Fee and Remuneration Sacrifice Share Plan

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 10.14 and for all other purposes, the Company is authorised to issue Shares to Mr David Seymour (or his nominee(s)) pursuant to the Director and Senior Management Fee and Remuneration Sacrifice Share Plan, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director (or their nominee(s)), except one who is ineligible to participate in any employee incentive scheme in relation

to the Company, as set out in the Explanatory Memorandum, and any associate 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

9. Resolution 9 – Approval to permit the participation of Mr Philip Miolin in the Director and Senior Management Fee and Remuneration Sacrifice Share Plan

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 10.14 and for all other purposes, the Company is authorised to issue Shares to Mr Philip Miolin (or his nominee(s)) pursuant to the Director and Senior Management Fee and Remuneration Sacrifice Share Plan, on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director (or their nominee(s)), except one who is ineligible to participate in any employee incentive scheme in relation to the Company, as set out in the Explanatory Memorandum, and any associate 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

10. Resolution 10 – Approval of issue of Director Options to Mr Adrian Griffin

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

"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, Shareholders approve the issue and allotment of up to 750,000 Director Options to Mr Adrian Griffin (or his nominee(s)), on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Adrian Griffin and his nominee(s) and 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

11. Resolution 11 – Approval of issue of Director Options to Mr Martin Pyle

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

"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, Shareholders approve the issue and allotment of up to

500,000 Director Options to Mr Martin Pyle (or his nominee(s)), on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Martin Pyle and his nominee(s) and 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

12. **Resolution 12 – Approval of issue of Director Options to Mr Bryan Dixon**

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

"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, Shareholders approve the issue and allotment of up to 500,000 Director Options to Mr Bryan Dixon (or his nominee(s)), on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Bryan Dixon and his nominee(s) and 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

13. **Resolution 13 – Approval of issue of Director Options to Mr David Seymour**

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

"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, Shareholders approve the issue and allotment of up to 500,000 Director Options to Mr David Seymour (or his nominee(s)), on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr David Seymour and his nominee(s) and 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

14. **Resolution 14 – Approval of issue of Director Options to Mr Philip Miolin**

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

"That, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, Shareholders approve the issue and allotment of up to

500,000 Director Options to Mr Philip Miolin (or his nominee(s)), on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Philip Miolin and his nominee(s) and 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

15. Resolution 15 – Ratification of issue of Shares to the vendors of Capricorn Iron (Pty) Ltd

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 7.4 and for all other purposes, Shareholders ratify and approve the prior issue and allotment of 5,000,000 Shares to the vendors of Capricorn Iron (Pty) Ltd (who are not related parties of the Company), on the terms and conditions and in the manner set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who participated in the issue of the 5,000,000 Shares and any associate 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 chair of 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.

BY ORDER OF THE BOARD



**JULIE HILL
COMPANY SECRETARY
MIDWINTER RESOURCES NL
DATED: 26 July 2013**

PROXIES

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.

In order to vote on behalf of a company that is a shareholder of Midwinter Resources NL, 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.

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 Suite 3, 23 Belgravia Street, Belmont WA 6104, or by facsimile (61 8) 9475 0847 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.

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; and
- e) proxies appointing the Chairman that 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

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 9:30am WST on 24 August 2013.

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of Midwinter in connection with the business specified to be conducted at the General Meeting to be held at 150 Great Eastern Highway, Ascot WA 6104 at 9:30am WST on Monday, 26 August 2013.

The purpose of this Explanatory Memorandum is to provide information that the Directors believe to be material to Shareholders in deciding how to vote on the resolutions in the Notice. The Directors recommend that Shareholders read this Explanatory Memorandum in full, together with the accompanying Notice.

2. SUMMARY OF TRANSACTION

2.1 Background

On 27 May 2013, the Company announced to ASX that it had entered into a term sheet (**Term Sheet**) with Southern Hemisphere Mining Limited (**Southern Hemisphere**) (ASX:SUH; TSX-V:SH) that provides for the Company to farm-in to a 65% interest in the Mantos Grandes Project (**Project**) located in the Province of Limari, in Chile (**Proposed Acquisition**).

Subject to the Company completing satisfactory due diligence and shareholder approval being obtained for Resolution 1, the Company will acquire its interest in the Project pursuant to a definitive farm-in agreement to be executed by the parties (**Farm-in Agreement**).

The Project comprises a copper-gold deposit of 30 concessions and associated rights in the Province of Limari, in Chile.

In order to fund the Company's initial earn-in requirements under the Farm-in Agreement for the first 12 months' exploration expenditure commitments, as well as the initial cash progress payment, the Company intends to raise approximately \$1,500,000 by way of a placement of Shares. The placement is subject to Shareholder approval, which is being sought pursuant to Resolution 2.

Entry into the Farm-in Agreement remains subject to the Company completing satisfactory due diligence on the Project and Shareholders approving Resolution 1. If the outcome of the Company's due diligence investigations are not satisfactory, the Directors may determine not to proceed with the acquisition. Shareholders will be informed by way of announcement if this occurs.

If the exploration undertaken in the first 12 months on the Project is successful, the Company intends to raise a further \$1,500,000 to fund the third earn-in requirement and final completion payment. The Company has not finalised how it will raise these funds, but it may be by way of a further equity raising.

2.2 Overview of the Project

The focus of the Project, the Mantos Grandes Mine, is a hypogene, skarn related copper-gold-silver deposit that has previously been mined using small scale underground methods. Geological data suggests that, in addition to the main skarn deposit, there is potential to discover secondary skarn mineralisation as well as porphyry style mineralisation within the concession areas.

The tenure is located some 80km east-southeast from the town of Ovalle (population ~70,000), the capital of Limari Province, and approximately 400km northeast of the Chilean capital, Santiago.

Basic infrastructure is in place to support a small scale mining operation and includes:

- access roads – the final 25km of gravel road will require some upgrading;
- ports – the closest port is approximately 160km from the mine;
- power supply and distribution;
- water supply;
- basic camp and office facilities; and
- a small scale (200tpd) conventional copper flotation plant; currently under care and maintenance.



Figure 1: Mantos Grandes location plan

The Project is located in the Central Andes at elevations that range from 1500m to 3000m. Locally, the stratigraphy is dominated by sequences of Cretaceous marine sediments comprising various carbonate units. The sequence is intruded by tertiary intrusives comprising diorites, syenites, monzodiorites and granodiorites. It appears that skarn alteration is related to the granodiorite intrusive and the copper and gold/silver mineralisation are related to the younger diorite emplacement. Thrust faults have enabled dilational emplacement of the granodiorite and a system of normal faults act as "feeder" structures for both prograde and retrograde alteration and mineralisation.

The mining history of Mantos Grandes dates back to the 1940's with intermittent small scale production from 1976 to 2000. Historical production is estimated to be 500,000 tonnes during the latter period. Production records for the 1998-1999 period indicate that a total of 35,855 wet tonnes of ore averaging 2.97g/t gold and 0.63% copper (non-soluble component) were mined and processed during the period. This produced some 1190 tonnes of concentrate containing 41.96 g/t gold, 20.36% copper and 101.84 g/t silver.

Most of the historic mining activity focused on high grade veins and ore shoots with some less selective room and pillar mining taking place in later years. The latter provides an indication of the bulk mining potential of some of the mineralised skarns. Existing underground workings include some 2,000m of development through 11 levels linked by a 4m by 3m decline which was used for services and ore haulage.

A large amount of geological information is available on the Project and will form the basis for ongoing exploration and development. The database includes:

- surface and underground geological mapping at a variety of scales;
- results from regional geophysical surveys including a helicopter supported aeromagnetic survey and induced polarisation surveys across target areas (2000);
- rock chip geochemical sampling (1996-2000), which includes assays from 738 channel and chip samples;
- drill hole logs and results from a 1,660m step out drilling campaign (2000); and
- approximately 2000m of underground mine development on 11 levels.

In 1998-1999, 96 surface rock chip and channel samples (each of approximately 5kg) were collected from an area around the Project surface workings. All were within 400m (north-south) by 200m (east-west of the workings) and dominantly from outcropping skarn mineralisation. 29 samples returned anomalous copper greater than 0.1% copper with a maximum value of 4.27%. Results include highs of 10.8 g/t gold and 30 g/t silver associated with anomalous (>0.1%) copper.

Also in 1998-1999, a total of 191, 5-10kg samples were collected from the underground workings during various mapping campaigns. The average from the underground sampling programs was 0.91% copper (max 6.8%), 2.3g/t gold (max 23.4 g/t) and 2.1g/t silver (max 30 g/t).



Figure 2: Mantos Grandes Mine – high grade exoskarn

In 2000, a 1,660m core drilling campaign was undertaken to test geological and geophysical targets within the mine sequence and east of the underground workings. Recent site investigations suggest that the drilling did not adequately test skarn mineralisation in the vicinity of the Mantos Grandes workings particularly the area to the north where diorite intrusives have been mapped.

Table 1: Significant assay results from core drilling at Mantos Grandes Project

Hole Number	Collar Coordinates ¹			Depth (m)	Azim (Deg)	Dip (Deg)	From (m)	To (m)	Interval (m)	Cu %	Au g/t
	East	North	RL								
WFDH002	351405	6584765	2505	72.95	20	-2	0	28	28	0.62	1.79
WFDH003	351405	6584765	2505	49.35	30	-26	0	22	22	0.57	1.59
WFDH003	351405	6584765	2505	49.35	30	-26	32	34	2	0.64	1.50
MGDH009	351407	6584662	2607	217.75	135	-85	133.95	135.75	1.8	1.38	4.09
MGDH007	351407	6584662	2607	198	135	-60	4	6	2	NSA	6.00
MGDH007	351407	6584662	2607	198	135	-60	24	26	2	NSA	3.10

Notes:

1. Coordinates are Universal Transverse Mercator Zone 19, Datum: Provisional South American La Conoa 1956.
2. All significant assays reported above a 1% copper equivalent. There is no record of the calculations used to determine the copper equivalent cut-off grade.
3. Holes have been oriented at various dips and azimuths and the intersections tabled above may not represent the true width of mineralisation.

It planned to undertake an induced polarisation survey centred on the mine area, but with extensions to the north and south to test for skarn hosted mineralisation along the limestone-intrusive contact. Along with geological mapping and surface sampling, it is anticipated that exploration will provide target areas to guide drilling programs aimed at delineation of a JORC compliant resource.

La Demonía is a gold-copper target 800m to the southeast of Mantos Grandes which has seen limited mining through a 50m long adit driven into the base of the limestone hosted skarn mineralisation immediately above a barren granodiorite sill. A total of 17, 5kg rock chip and channel samples are recorded from the surface and underground workings at La Demonía. The samples average 1.02g/t gold, 4.0g/t silver and 0.38% copper with a best result of 11.1g/t gold, 43.9g/t silver and 4.09% copper. In the area of the adit there is some 20-30m of potential skarn mineralisation above the sill.



Figure 3: La Demonia adit showing limestone-granodiorite contact

In 2000, two diamond core holes were drilled to test the La Demonia mineralisation. MGDH005 was collared in the granodiorite sill and did not test the hanging wall mineralisation. The second hole MGDH008 was abandoned due to difficult drilling conditions. The shallow dipping, untested hanging wall limestone presents as a walk up drill target to test the extensions of copper mineralisation observed in the underground workings.

The El Durazno target is a grassroots prospect located approximately 1,100 m west of the main Mantos Grandes workings. The style of mineralisation is similar to Mantos Grandes with skarn development along a contact with granodiorite and a 150m wide by 500m long diorite intrusive. There is evidence of brecciation within the granodiorite endoskarn with the potential for localised high grade mineralisation. 20 rock chip samples were taken from the area by previous explorers. Six samples returned greater than 0.5% copper (maximum 2.55%) and three samples returned greater than 1 g/t Au (maximum 3.34 g/t).

At least two other grassroots prospects located in the north of the tenure have been subject only to first pass investigation. Both were observed from the Mantos Grades mine road, but access is by horseback or on foot. The El Churro prospect is located 6km northwest of the Mantos Grandes mine and is located within a major fault zone and proximal to a magnetite bearing granodiorite intrusive. Grades of up to 4.26% copper and 0.07g/t Au were obtained from seven rock chip samples. The El Verde prospect is a porphyry style prospect some 4.5km northeast of Mantos Grandes. It is characterised by zones of potassic (secondary biotite) alteration. Only six rock chip samples were collected from the area and contained low gold and copper values. It is considered that the area warrants a more detailed investigation in view of the style of deposit.

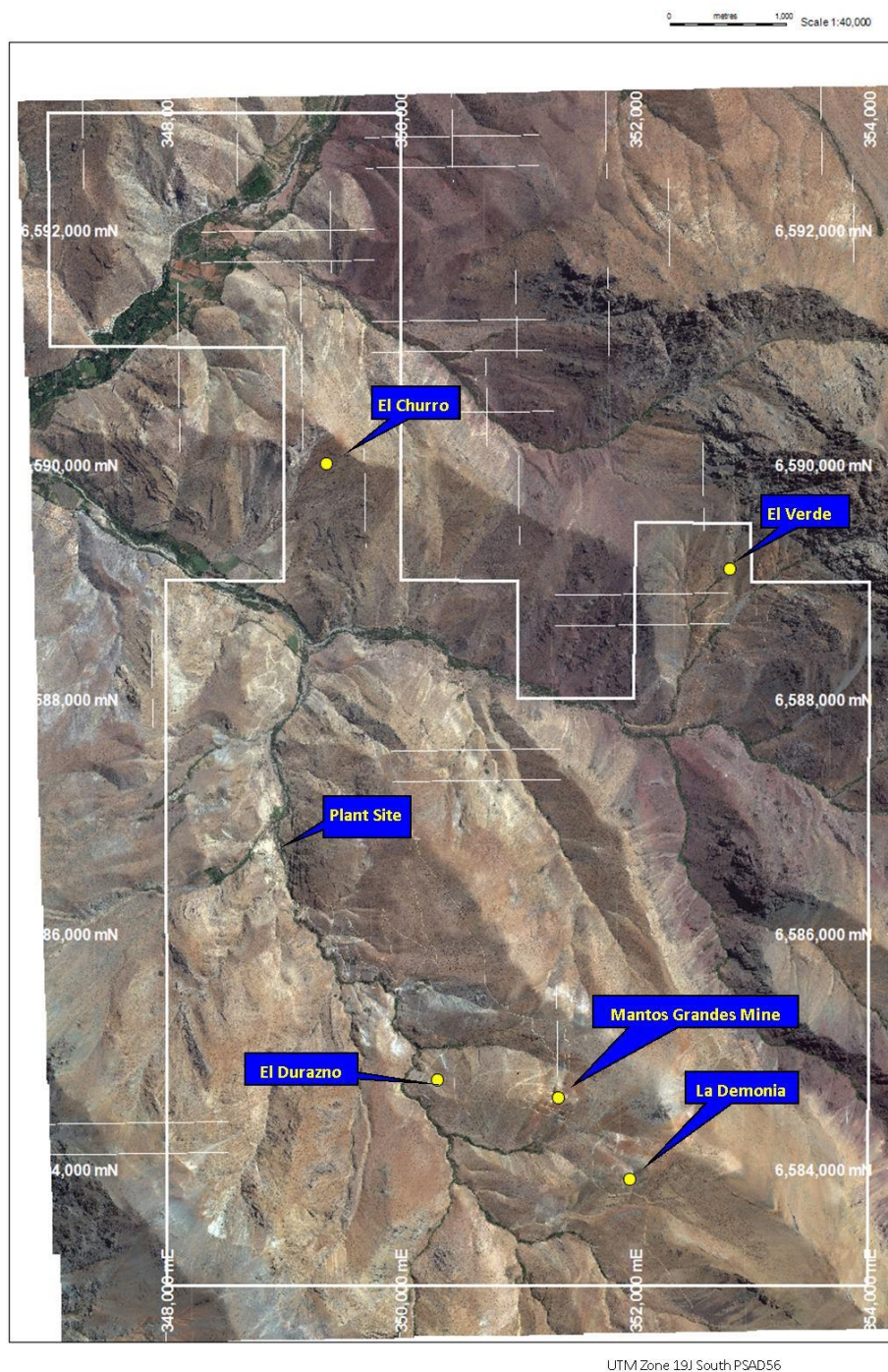


Figure 4: Mantos Grandes Project with mine and prospect locations

The information in this Explanatory Memorandum that relates to exploration results is based on information compiled by Lindsay Cahill, who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Cahill is a consultant to the mining industry, and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration. He is qualified as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". This report is issued with Mr. Cahill's consent as to the form and context in which the exploration results appear.

2.3 About the Company

The Company is focused on mineral exploration across a range of commodities. Currently, the Company's main activities focus on its core project, the Northern Lights magnetite project in the Limpopo Iron Province, South Africa (**Northern Lights Project**).

As noted in the Company's 2012 Annual Report, metallurgical testing has been undertaken on materials from the Northern Lights Project which recovered high quality concentrates of iron. While the Company is not currently undertaking exploration work on the Northern Lights Project, it does have a number of prospecting right applications in the area in process.

On 20 November 2012, the Company announced that the South African Department of Mineral Resources accepted 2 prospecting right applications over known phosphate occurrences subject to certain conditions. The Company is in the process of finalising those applications. The Company has also lodged 4 exploration licence applications in the Kimberley region, Western Australia over prospective phosphate occurrences.

In January 2012, the Directors concluded that, as a result of factors including lower iron ore prices, limited exploration success at the Northern Lights Project and deteriorating stability for mining projects in South Africa, the Company would not seek to raise further capital specifically for the Northern Lights Project, but would instead focus on alternative projects with positive investment attributes.

Over the past 12 months, the Company has actively pursued various alternative projects and opportunities consistent with its announced diversification strategy (see the Company's Annual Report 2012 and announcement dated 3 September 2012).

In addition to the Company's existing iron ore and phosphate interests, the Directors expect that the Project will continue the Company's growth into a diversified exploration company with interests in various projects hosting different commodities.

The Directors have pursued the Proposed Acquisition for several reasons, including that:

- the Project has low technical risk as the metallurgy of the gold and copper in the concessions is well understood by the Company;
- the Project has a strong history of mining;
- samples taken from the concessions carry gold and copper which precipitated within the limestone (thought to be 0.5% Cu and 1.6 g/t Au) and higher grade, narrow vein materials with grades around 0.8% Cu and 3.5 g/t Au;
- the Project has the potential for a low capital mining start-up by relying on the existing plant or treating minerals locally through Government-run, toll treating facilities; and
- Chile has a well-established history of mining and a favourable political climate, making the Proposed Acquisition suitable for a junior explorer.

2.4 Commercial Terms

As announced on 27 May 2013, the Company entered into a binding term sheet which sets out the general terms and conditions upon which Midwinter may acquire a 65% shareholding in Minera Mantos Grandes, to be incorporated in Chile and which will hold the property (**MG Chile**).

The key terms of the Proposed Acquisition are set out below:

- Sociedad Servicios E Inversiones Futuro Limited (**Futuro**) is the current owner of the 30 concessions in connection with the Project, comprising 8 exploration concessions, 7 mining claims and 15 exploitation concessions.
- The Company is, as at the date of this Notice, conducting due diligence investigations on the Project (with the initial due diligence period having been extended).
- During the period of Midwinter's due diligence investigations, Futuro will transfer the Project (and all associated water rights, land rights and geological information) to MG Chile, which MG Chile will hold as the joint venture Company.
- 100% of the shares in MG Chile will be initially held by wholly owned Southern Hemisphere subsidiaries prior to any acquisition of shares by or on behalf of Midwinter by its nominee to be incorporated in Chile.
- Upon execution of the Farm-in Agreement, Midwinter's nominee will be issued one (1) share in the capital of MG Chile.
- Upon Midwinter satisfying its payment obligations (set out below), its nominee will be issued further shares in MG Chile such that it holds an interest in 65% of its issued share capital, with Southern Hemisphere subsidiaries holding an interest in the remaining 35%.
- A shareholders' agreement will be executed between MG Chile and the Southern Hemisphere subsidiaries, the definitive terms of which will be agreed concurrently with finalisation of the Farm-in Agreement.
- The Proposed Acquisition is subject to Midwinter shareholder approval (Resolution 1) and other regulatory approvals as required.

Midwinter will acquire its interest only after the following payment obligations have been satisfied in full:

- \$350,000 must be paid to Southern Hemisphere on execution of the Farm-in Agreement;
- within 6 months of the execution of the Farm-in Agreement, Midwinter will sole fund \$400,000 of expenditure on the Project;
- if Midwinter elects to proceed further by providing written notice to Southern Hemisphere, within a further 6 months, Midwinter will sole fund an additional \$600,000 of expenditure on the Project;
- if Midwinter elects to proceed further by providing written notice to Southern Hemisphere, within a further 6 months, Midwinter will sole fund an additional \$500,000 of expenditure on the Project; and

- Midwinter will make a final payment of \$1,000,000 to Southern Hemisphere in immediately available funds.

2.5 Capital Raising

As shown in the table below, the Company needs to raise additional funds in order to satisfy its payment obligations under the Farm-in Agreement.

Initially, the Company intends to raise up to \$1,500,000 through the placement of up to 20,000,000 Shares at an issue price of not less than 80% of the average market price for Shares calculated over the last five Trading Days on which sales of Shares are recorded either prior to the date on which the issue is made or prior to the date on which an offer information statement is signed (**Initial Capital Raising**).

Resolution 2 of this Notice seeks Shareholder approval for the Initial Capital Raising (refer to Section 4 for further details).

2.6 Use of funds

The Company intends to use its existing working capital and funds raised by the Initial Capital Raising as follows:

Description	Amount (\$)
Existing Cash (as at 20 June 2013)	800,000
Initial Capital Raising	1,500,000
Total Cash	2,300,000
Use of Funds:	
Initial payment to Southern Hemisphere on execution of the Farm-in Agreement	350,000
First expenditure payment	400,000
Second expenditure payment	600,000
Costs of Initial Capital Raising and Proposed Transaction	150,000
Administration and working capital	500,000
Exploration expenditure on Company's existing projects	300,000
Total	2,300,000

Once the Company has made its initial payment to Southern Hemisphere and satisfied its first and second expenditure payments, the Company will need to raise further funds to complete the third expenditure payment and its final \$1,000,000 payment to Southern Hemisphere (**Subsequent Capital Raising**).

The Directors have not made a decision about the structure they will use for the Subsequent Capital Raising, although it may be via a further equity capital raising, or debt funding, or combination of both. The ultimate structure of the Subsequent

Capital Raising will depend on a number of factors, including the nature of the equity and debt capital markets in the future, the performance of the Company at the time and the attractiveness of the various capital alternatives. The Directors anticipate raising \$1,500,000 pursuant to the Subsequent Capital Raising to cover the \$1,000,000 payment to Southern Hemisphere, costs of the raising and for general working capital purposes.

2.7 Pro-forma balance sheet

Set out below is an unaudited pro-forma balance sheet of the Company based on the audited statement of financial position of the Company as at 31 December 2012, adjusted to reflect the assumptions set out in the notes.

	Midwinter Resources NL 31 December 2012 Reviewed \$'000s	Pro-Forma 31 December 2012 Unaudited Post Approval of Resolutions 1 & 2 \$'000s
Current Assets		
Cash and cash equivalents	1,461	1,461
Trade and other receivables	17	17
Other assets	12	12
Total Current Assets	1,490	1,490
Non-Current Assets		
Financial Assets	15	15
Exploration expenditure (including capitalised exploration expenditure)	-	2,850
Investments accounted for using the equity method	694	694
Property, plant and equipment	2	2
Total Non-Current Assets	711	3,561
Total Assets	2,201	5,051
Current Liabilities		
Trade and other payables	61	61
Total Current Liabilities	61	61
Total Liabilities	61	61
Net Assets	2,140	4,990
Equity		
Issued capital	6,362	9,212
Reserves	407	407
Accumulated losses	(4,629)	(4,629)
Total Equity	2,140	4,990

Notes:

1. The Proposed Acquisition has completed, resulting in the payment of a total of \$1,350,000 to Southern Hemisphere and the expenditure of \$1,500,000 on the Project.
2. 40,000,000 Shares are allotted and issued pursuant to the Initial Capital Raising and the Subsequent Capital Raising to raise a total of \$3,000,000 (based on a Share price of 7.5 cents per Share).
3. The payment of \$150,000 relating to indirect costs of the Proposed Acquisition and the Initial Capital Raising and Subsequent Capital Raising.

4. The issued capital amount of \$9,212,000 post Initial Capital Raising and Subsequent Capital Raising accounts for the costs of those raisings, being approximately \$150,000.

2.8 Pro-forma capital structure

The capital structure of the Company following the Initial Capital Raising and the Subsequent Capital Raising is set out below, assuming the Subsequent Capital Raising is satisfied by the issue of a further 20,000,000 Shares and that Resolution 2 is approved:

	Ordinary Fully Paid Shares	Partly Paid Contributing Shares
Balance at the date of this Notice	43,000,042	11,700,000
Balance after Initial Capital Raising	63,000,042	11,700,000
Balance after Subsequent Capital Raising	83,000,042	11,700,000

2.9 Advantages of the Proposed Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on Resolutions 1 and 2:

- (a) the Project represents a significant asset acquisition opportunity for the Company for a minerals exploration project in a politically stable jurisdiction;
- (b) if the Proposed Acquisition is approved, Shareholders will be exposed to the potential upside from the Project;
- (c) the Company will be able to increase its value if it is able to achieve exploration success and the commercial exploitation of copper and gold from the Project;
- (d) the success of the Project will improve the Company's ability to raise capital; and
- (e) acquisition of the Project may encourage new investors to acquire Shares, which may lead to increased liquidity for the Shares and greater trading depth than currently experienced by Shareholders.

2.10 Disadvantages of the Proposed Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on Resolutions 1 and 2:

- (a) the Company will be changing the scale of its activities;
- (b) the Proposed Acquisition will require the issue of Shares by the Company, which will dilute the current holdings of Shareholders, and diminish the ability of existing Shareholders to influence decisions, including the composition of the Board or future acquisitions or disposals of assets; and
- (c) the Company will become exposed to the risks associated with the Proposed Acquisition (refer to Section 2.11 for further information).

2.11 Risks

The Company is in the process of undertaking due diligence including title, legal and technical due diligence in order to identify any material risks specific to Southern Hemisphere, Futuro and the Project. As at the date of this Notice, the Company has not encountered any material issues that would preclude it from proceeding with the Proposed Acquisition.

However, there are risks associated with the Proposed Acquisition which relate generally to exploration companies and specifically to companies doing business in foreign jurisdictions, which the Company will remain exposed to. Many of these risks may be beyond the control of the Company. A summary of the risks associated with the Proposed Acquisition and ongoing exploration and development of the Project are outlined in Annexure A.

3. RESOLUTION 1 – CHANGE TO SCALE OF ACTIVITIES

3.1 General

Resolution 1 seeks Shareholder approval for a change to the scale of the activities of the Company. As outlined in Section 2.1 of this Explanatory Memorandum, the Company has entered into the Term Sheet under which the Company has agreed to acquire a 65% interest in the Project by way of a farm-in, subject to due diligence and Shareholder approval being obtained.

A detailed description of the Proposed Acquisition and the Project's assets and prospects is outlined in Section 2 above.

It is integral to the success of the Proposed Acquisition that the Company raises sufficient capital to proceed with its initial capital contribution requirements. As a result, the Proposed Acquisition is conditional on Shareholders approving Resolution 2 (the Initial Capital Raising). Neither Resolution 1 or Resolution 2 can take effect until both Resolutions are approved by Shareholders.

3.2 Listing Rule 11.1

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the Company were applying for admission to the official list of ASX.

ASX has indicated to the Company that given the change in the scale of the Company's activities that would result from the Proposed Acquisition it requires the Company to obtain Shareholder approval. The ASX has confirmed that the Company will not need to comply with the requirements of Chapters 1 and 2 of the Listing Rules.

Resolution 1 seeks Shareholder approval under Listing Rule 11.1.2 to allow the Company to proceed with the Proposed Acquisition, increasing the scale of its activities (but not changing its nature).

4. RESOLUTION 2 – EQUITY CAPITAL RAISING

4.1 General

As set out in section 2.5 and 2.6 of this Explanatory Memorandum, the Company is undertaking the Initial Capital Raising in order to raise the funds necessary to complete the initial payment to Southern Hemisphere and the first and second expenditure payments required under the Term Sheet (which will be set out in more detail in the Farm-in Agreement).

Resolution 2 seeks Shareholder approval for the issue and allotment of up to 20,000,000 Shares under a placement.

4.2 Listing Rule 7.1

Broadly, Listing Rule 7.1 provides that a company may not issue equity securities if those securities will, in themselves or when aggregated with the equity securities issued by the company during the previous 12 months, exceed 15% of the number of equity securities on issue at the commencement of that 12 month period unless the issue falls within one of the nominated exceptions or approval of the company's shareholders in general meeting is obtained.

The issue of 20,000,000 Shares pursuant to the Initial Capital Raising, as contemplated under Resolution 2, will exceed the 15% threshold set out in Listing Rule 7.1 and none of the exceptions apply. Accordingly, the Company requires Shareholder approval.

Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) The maximum number of securities to be issued by the Company under Resolution 2 is 20,000,000 Shares.
- (b) The Shares will be issued as soon as practicable after the Meeting, but in any event not later than 3 months after the date of the Meeting and it is anticipated that allotment will occur on one date rather than on a progressive basis.
- (c) The Shares will be issued for a fixed price, being no less than 80% of the average price calculated over the last 5 days on which sales in Shares were recorded before either the day on which the issue was made or the day on which an offer information statement relating to the issue was signed (if an offer information statement is prepared).
- (d) The Shares will be issued to sophisticated and professional investors for the purposes of sections 708(8) and 708(11) of the Corporations Act respectively (or who are otherwise exempt investors under another exception in section 708 of the Corporations Act) who are not related parties of the Company.
- (e) The Shares will rank equally in all respects with the Company's existing Shares.

- (f) The funds raised by the issue will be used as set out in section 2.6 of this Explanatory Memorandum.

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

5. RESOLUTION 3 – CHANGE OF COMPANY NAME

As a result of the Company's broadened focus following the Proposed Acquisition, the Directors have resolved to change the Company's name to "Cobre Montana NL".

Resolution 3 seeks Shareholder approval for that change in accordance with section 157 of the Corporations Act.

Resolution 3 is a special resolution and requires approval of 75% of the votes cast by Shareholders. Resolution 3 is subject to the approval of Resolutions 1 and 2.

The change of name will take effect from when ASIC alters the details of the Company's registration.

6. RESOLUTIONS 4 TO 9 – APPROVAL TO ISSUE SHARES UNDER THE DIRECTOR AND SENIOR MANAGEMENT FEE AND REMUNERATION SACRIFICE SHARE PLAN

6.1 General

As set out in section 2.5 and 2.6 of this Explanatory Memorandum, the Company is undertaking the Initial Capital Raising in order to raise the funds necessary to complete the initial payment to Southern Hemisphere and the first and second expenditure payments required under the Term Sheet (which will be set out in more detail in the Farm-in Agreement).

The Board has recently established a Director and Senior Management Fee and Remuneration Sacrifice Share Plan (**Plan**) under which Directors and senior management of the Company who are eligible to be offered shares without prospectus disclosure (**Senior Managers**) may elect to sacrifice part of their directors' fees or consulting fees to acquire Shares in the Company. The relevant Director or Senior Manager will receive the remainder of their directors' fees or consulting fees in cash. As such, the Shares will be issued for nil cash consideration and no funds will be raised as a result. The Board considers that the issue of Shares to Directors and Senior Managers in lieu of cash payments for Directors fees or consulting fees is reasonable in the circumstances given the necessity to maintain the Company's cash reserves. The Plan also helps to align the interests of Directors and Senior Managers with those of Shareholders by encouraging Director and Senior Manager Share ownership.

Shareholder approval for the issue of Shares under the Plan is sought for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14. As approval of Shareholders is being sought for the Company to adopt the Plan, and issue Shares pursuant to the Plan, Shareholder approval under Listing Rule 7.1 is not required, in accordance with Exception 9 of Listing Rule 7.2.

Resolution 4 seeks Shareholder approval of the Plan.

Resolutions 5 to 9 seeks Shareholder approval for the issue and allotment of Shares to Directors under the Plan.

If approved at the General Meeting, any Shares issued pursuant to the approvals in Resolutions 5 to 9 must be issued within three years of the date of this General Meeting.

If Resolution 4 is approved, but if any of Resolutions 5 to 9 are not approved with respect to any specified Director, then that Director will be excluded from participating in the Plan (but approved Directors and Senior Managers can still participate). If Resolutions 5 to 9 are approved but Resolution 4 is not, then both Directors and Senior Managers will be able to participate in the Plan, but such Shares will (on issue) count towards the Company's 15% placement capacity under Listing Rule 7.1. If neither Resolution 4 nor Resolutions 5 to 9 are passed, then only Senior Managers of the Company (and not Directors) will be able to participate in the Plan and any Shares issued will count towards the Company's 15% placement capacity under Listing Rule 7.1.

In the event Shareholder approval is not obtained for Resolutions 4 to 9, the fees or salaries accrued to Directors up to the date of the Meeting will be paid in cash immediately following the Meeting to those Directors.

The following information is provided to assist Shareholders in assessing Resolutions 4 to 9. This information has been provided in an aggregated form for ease of understanding as the information in respect of each Resolution is materially similar and to avoid the Notice being unnecessarily long.

6.2 Listing Rule 7.1

Broadly, Listing Rule 7.1 provides that a company may not issue equity securities if those securities will, in themselves or when aggregated with the equity securities issued by the company during the previous 12 months, exceed 15% of the number of equity securities on issue at the commencement of that 12 month period unless the issue falls within one of the nominated exceptions or approval of the company's shareholders in general meeting is obtained.

Listing Rule 7.2 Exception 9 provides for an exception to Listing Rule 7.1 where the issue of securities are made under an employee incentive scheme that has been approved by shareholders within three years before the date securities are issued under the scheme.

6.3 Listing Rule 10.14 and 10.15A

In addition to Listing Rule 7.1, Listing Rule 10.14 restricts the issue of securities under an employee incentive scheme to Directors without the prior approval of shareholders.

In order to comply with Listing Rule 10.14, the notice convening the meeting at which approval will be sought must comply with either Listing Rule 10.15 or 10.15A. Where shares may be issued later than 12 months following a meeting, the notice must comply with the requirements of Listing Rule 10.15A. Accordingly, in order for Directors to participate in the Plan and be issued Shares later than 12 months following the Meeting, Shareholder approval is being sought for the purposes of Listing Rule 10.14 and the information required by Listing Rule 10.15A is set out below.

As required by the Listing Rules (including Listing Rule 7.2 Exception 9 and Listing Rule 10.15A), and to assist Shareholders in considering Resolutions 4 to 9, the Company provides the following information in relation to the Plan.

6.4 Principal terms of the Plan

Subject to Shareholder approval, it is proposed that present and future Directors and certain Senior Managers as chosen by the Board, be offered the opportunity to participate in the Plan and be able to elect to sacrifice part of their directors' fees or executive remuneration to acquire Shares under the Plan.

If Resolutions 5 to 9 are approved, it is anticipated that participation in the Plan will be made available to the Directors immediately. Offers to participate may be extended to Senior Managers in the future as the Board considers appropriate.

The principal terms of the Plan are as follows:

(a) Participation

Participation in the Plan is voluntary. All Directors in office from time to time are eligible to participate (unless participation by a Director would be contrary to law or be unduly onerous). In the event that a Director elects to participate in the Plan, participation at the elected level (i.e. percentage of fees sacrificed) will be mandatory for a period of 12 months.

Where a Director has opted to participate in the Plan and, before the Shares relating to that period have been issued, the Director ceases to be a Director of the Company, the Director will either be issued a number of Shares or an amount in cash calculated based on the fees sacrificed up to the date on which the participant ceased to be a Director.

Currently there are five (5) Directors who are each eligible to participate: Adrian Griffin (managing director), Martin Pyle (non-executive chairman), Bryan Dixon (non-executive director), David Seymour (non-executive director) and Philip Miolin (non-executive director).

Invitations to participate in the Plan may be extended to Senior Managers at the Board's discretion.

(b) Commencement date

Subject to Shareholder approval being obtained, the terms of the Plan commence from 1 May 2013 as the Directors have been sacrificing 20% of their respective directors' fees since that date. The percentage of fees sacrificed may be adjusted for certain Directors from 1 July 2013, for a 12 month period.

If Resolutions 4 to 9 are approved by Shareholders, the table below sets out the number of Shares that will be issued to each of the Directors for the period 1 May 2013 to 30 June 2013:

Director	Annual directors fees paid to Director	Period in which directors fees foregone	Amount sacrificed during the period (based on 20% of fees foregone for the period)	Number of Shares based on closing price of \$0.075 on 31 May 2013 and \$0.075 on 30 June 2013
Martin Pyle*	\$52,523	1 May 2013 – 30 June 2013	\$1,750.77	23,344

Adrian Griffin	\$250,000	1 May 2013 – 30 June 2013	\$8,333.33	111,111
Bryan Dixon	\$50,000	1 May 2013 – 30 June 2013	\$1,666.67	22,222
David Seymour	\$35,000	1 May 2013 – 30 June 2013	\$1,166.67	15,556
Philip Miolin	\$35,000	1 May 2013 – 30 June 2013	\$1,166.67	15,556
Total	\$422,523		\$14,084.11	187,789

* The fees for Martin Pyle include consulting fees.

In the event Shareholder approval is not obtained for Resolutions 4 to 9, the fees or salaries accrued to Directors up to 30 June 2013 will be paid in cash immediately following the Meeting.

(c) **Minimum and maximum participation**

Participants in the Plan may elect the percentage (up to a maximum of 30%) of their annual directors' fees or executive remuneration (as applicable) they wish to sacrifice per annum.

The Plan restricts payments being made if they would result in the Company exceeding:

- (i) the maximum aggregate remuneration for non-executive directors approved by Shareholders under Listing Rule 10.17 from time to time; and
- (ii) an aggregate amount of \$90,000 worth of Shares per annum for all executive directors of the Company from time to time (currently the Company has only one executive director, Mr Adrian Griffin).

The Plan does not extend to amounts payable in respect of Goods and Services Tax (**GST**). If the Company is liable to pay GST to participating Directors in respect of the provision of services, then it will do so in cash.

(d) **Timing of acquisition and number of Shares**

Entitlement to Shares will accrue on a monthly basis and the number of Shares to be issued will be determined at the end of each month based on the amount sacrificed divided by the volume weighted average price of the Company's Shares trading on the ASX over the five (5) Trading Days immediately preceding the end of the month.

Allocation of Shares will be made at six (6) month intervals. If the Company is unable to issue Shares at the end of a six (6) month period without breaching the Company's share trading policy (**Share Trading Policy**) or an applicable law, Shares will then be issued as soon as practicable in compliance with the Share Trading Policy and all applicable laws.

(e) **Shares acquired**

Participating Directors and Senior Managers will receive fully paid ordinary shares in the Company that rank equally in all respects with other issued fully paid shares in the Company.

(f) **Restriction periods**

There will be no restriction period applicable to Shares issued under the Plan although Shares will only be issued in compliance with the Company's Share Trading Policy and all applicable laws.

(g) **Acquisition costs**

It is not envisaged that there will be any costs to Directors or Senior Managers to acquire Shares under the Plan. There will be no loan made available to Directors or Senior Managers in relation to the acquisition of Shares under the Plan.

If Shares are not able to be allocated to a participating Director or Senior Manager (eg. because of legal impediments applicable at the time), the issue of Shares may be delayed or alternatively, at the Board's discretion, be paid to the Director or Senior Manager in cash.

(h) **Details of Shares issued under Plan**

As the Plan is only newly adopted, no Shares have yet been issued or otherwise acquired under it. Details of any Shares issued under the Plan will be published in the Company's Annual Report relating to the period in which Shares have been issued, with a statement that approval for the issue of Shares was obtained under Listing Rule 10.14.

If Resolution 4 is approved by Shareholders, Shares will not be issued under the Plan after 3 years from the date of the General Meeting without obtaining Shareholder approval.

(i) **Waiver of Listing Rules**

The Company has obtained the following waivers from ASX in relation to the approval sought under Resolutions 5 to 9 (to permit Director participation in the Plan):

- (i) a waiver of Listing Rule 10.15A.2 to permit this Notice to omit the maximum number of Shares that may be acquired by Directors under the Plan (given that such details cannot be accurately determined at this time); and
- (ii) a waiver of Listing Rule 10.15A.8 to permit this Notice to state that the Plan applies to the Directors in office from time to time and who become entitled to participate in the Plan (rather than having to set out the names of all such people who may be or become eligible to participate in the Plan).

6.5 Potential Shares to be issued under the Plan

Set out below are some examples of the number of Shares that may be issued to Directors and Senior Managers under the Plan, based on various assumed prices for

Shares. These are examples only and Shareholders should be aware that the actual number of Shares to be issued to Directors and Senior Managers may vary, based on the prevailing Share price at the time the number of Shares to be issued is calculated, and the percentage of fees (or executive remuneration) each Director (or Senior Manager) elects to sacrifice.

The total amount of annual directors' fees and executive remuneration currently being paid to directors is \$422,523 (\$250,000 to the executive director with the remaining \$172,523 being paid to the non-executive directors in varying proportions).

If each of the Directors elect to sacrifice the maximum amount permitted of 30% for a 12 month period, this will result in a maximum salary sacrifice value of \$126,756.90 for all Directors (based on current director fees and executive remuneration). Based on a Share price of 7.5 cents per ordinary share, the total number of Shares that could be issued to Directors if they sacrificed the full 30% of their current fees would be 1,690,092. This would dilute current shareholders by the percentages set out below based on the Company's current share capital and following the Initial Capital Raising:

Description	Ordinary fully paid shares	Partly paid contributing shares*	Dilution
Current share capital	43,000,042	11,700,000	3.78%
Share capital following Initial Capital Raising	63,000,042	11,700,000	2.61%

Note: partly paid contributing shares have not been included in the dilution effect calculation.

Based on each Director sacrificing 30% of their current fees for the 12 month period ending 30 June 2014 and a Share price of 7.5 cents per ordinary share, each Director will be issued approximately the number of Shares detailed below:

Director	Annual directors fees paid to Director	Amount sacrificed during the period (based on 30% of fees foregone for the period)	Number of Shares to be issued (based on a price of 7.5 cents per ordinary share)
Martin Pyle*	\$52,523	\$15,756.90	210,092
Adrian Griffin	\$250,000	\$75,000	1,000,000
Bryan Dixon	\$50,000	\$15,000	200,000
David Seymour	\$35,000	\$10,500	140,000
Philip Miolin	\$35,000	\$10,500	140,000
Total	\$422,523	\$126,756.90	1,690,092

* The fees for Martin Pyle include consulting fees.

Set out below is a further table showing the maximum dilution assuming the fees paid to each of the non-executive directors are increased to the maximum

currently permitted under Listing Rule 10.17 (being \$250,000) and the executive directors are increased to the maximum permitted under the Plan (being \$300,000). Again, based on a Share price of 7.5 cents per Share, the total number of ordinary shares that could be issued to Directors if they sacrificed the full 30% and increased their fees to the maximum permitted under the Listing Rules and the restriction on executive directors under the Plan (being \$165,000) would be 2,200,000 Shares. This would dilute current shareholders as follows:

Description	Ordinary fully paid shares	Partly paid contributing shares*	Dilution
Current share capital	43,000,042	11,700,000	4.87%
Share capital following Initial Capital Raising	63,000,042	11,700,000	3.37%

Note: partly paid contributing shares have not been included in the dilution effect calculation.

The trading history of the Shares on the ASX in the 12 months preceding the preparation of this Notice is set out below. Based on the Share prices set out below and each Director sacrificing 30% of their current director's fees (resulting in a maximum salary sacrifice value of \$126,756.90), the Company's issued Shares will increase and the existing Shareholders' holdings will be diluted as set out below.

	Price	Date	Increase in Shares	Dilution
Highest	9.5 cents	10 July 2012	1,334,283	3.01%
Lowest	5.0 cents	21 December 2012	2,535,138	5.56%
Last	7.5 cents	9 July 2013	1,690,092	3.78%

While the Plan provides for the number of Shares to be issued to be calculated at the end of each month during the period, it is not practical for such specific calculations to be made for the purposes of this Explanatory Memorandum (particularly because such calculations would be forward looking and inherently uncertain). Accordingly, for the purposes of the calculations set out in the tables above, it is assumed that the price used is the price for each month of the period.

7. **RESOLUTIONS 10 to 14 – Approval of issue of Director Options to Mr Adrian Griffin, Mr Martin Pyle, Mr Bryan Dixon, Mr David Seymour and Mr Philip Miolin**

7.1 **General**

The Board has resolved to issue up to 2,750,000 Director Options to Directors or their nominee(s).

Shareholder approval for the issue of Director Options the subject of Resolutions 10 to 14 is sought for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

The following information is provided to assist Shareholders in assessing Resolutions 10 to 14. This information has been provided in an aggregated form for ease of understanding as the information in respect of each Resolution is materially similar and to avoid the Notice being unnecessarily long. However, each of Resolutions 10 to 14 is independent of the other Resolutions and will be voted on separately.

7.2 ASX Listing Rule 10.11

Broadly, Listing Rule 10.11 restricts the giving of a financial benefit to, and the issue of securities to, related parties without the prior approval of shareholders. The Directors are related parties of the Company.

Listing Rule 10.13 requires the following information to be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11.

- (a) Director Options will be issued to each of the Directors, being Messrs Griffin, Pyle, Dixon, Seymour and Miolin.
- (b) The maximum number of Director Options issued will be a total of 2,750,000, being up to 750,000 Director Options to be issued to Mr Griffin and up to 500,000 Director Options to be issued to each of Messrs Pyle, Dixon, Seymour and Miolin.
- (c) It is intended that the Director Options will be issued as soon as practicable, but in any event within one month after the date of the Meeting.
- (d) The Director Options are being issued for no consideration.

7.3 Chapter 2E

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit (which includes the issue of Director Options) to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions of Chapter 2E of the Corporations Act; or
- (b) prior Shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, each Director is considered to be a related party of the Company. The proposed issue of Director Options to Directors involves the provision of a financial benefit to a related party of the Company and, therefore, requires prior Shareholder approval. The following information is provided to Shareholders to enable them to assess the merits of Resolutions 10, 11, 12, 13 and 14:

- (a) If Resolutions 10, 11, 12, 13 and 14 are passed by Shareholders, they will permit the giving of a financial benefit to the following Directors (or their nominees):

Resolution	Director	Position	Annual directors fees	Estimated value of Director Options (Annexure C)
10	Adrian Griffin	Managing Director	\$250,000	\$24,282

11	Martin Pyle	Non-Executive Chairman	\$55,000 (including superannuation)	\$16,188
12	Bryan Dixon	Non-Executive Director	\$50,000	\$16,188
13	David Seymour	Non-Executive Director	\$35,000	\$16,188
14	Philip Miolin	Non-Executive Director	\$35,000	\$16,188

- (b) The expiry date of the Director Options will be 5.00 pm WST on the date that is 2 years less one day following the date of issue at an exercise price equal to 125% of the VWAP for the 5 Trading Days preceding the date of the Meeting.
- (c) The nature of the financial benefit proposed to be given is the issue of Director Options for no consideration. The purpose of the issue is to provide cost effective consideration to Directors for their contribution to the Company in their respective roles.
- (d) All the Directors recommend that Shareholders vote in favour of each of the Resolutions, other than the Resolutions in which they have an interest in the outcome with respect to which they make no recommendation.
- (e) As at the date of this Notice, the Directors hold the following relevant interests in the securities in the Company:

Director	Ordinary Shares	Partly Paid Contributing Shares	Current Unlisted Options held	Director Options proposed to be issued	Shareholding on a fully diluted basis*
Adrian Griffin	1,050,182	334,082	1,500,000	750,000	3,300,182
Martin Pyle	1,687,107	1,403,143	1,000,000	500,000	3,187,107
Bryan Dixon	480,487	750,000	1,000,000	500,000	1,980,487
David Seymour	468,000	300,449	525,000	500,000	1,493,000
Philip Miolin	100,001	100,000	525,000	500,000	1,125,001

*Assuming Shareholders approve the issue of the Director Options to Directors that are subject to Resolutions 10 to 14 inclusive and all Director Options and current unlisted options are exercised.

- (f) If Shareholders approve Resolutions 10, 11, 12, 13 and 14 all Director Options are issued and exercised, depending on the prevailing Share price at the time the Director Options are exercised (including all current unlisted options held by Directors and the Directors Options the subject of

Resolutions 10, 11, 12, 13 and 14), it will dilute the holdings of existing Shareholders by approximately 6.01%.

- (g) The Directors consider that the incentive represented by the issue of Director Options is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration.
- (h) The Board recognises that Box 8.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations states that non-executive directors should not receive options or bonus payments. Notwithstanding this, the Board considers the issue of a small number of Director Options to the Directors is appropriate in the circumstances for the reasons set out below:
 - (i) The Board has concluded that the totality of the Directors' remuneration packages, including the equity component of such number of Director Options proposed to be issued to each Director under Resolutions 10 to 14 is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of the Directors' management experience and knowledge of the mineral exploration industry.
 - (ii) The Board does not consider that there are any significant opportunity costs to the Company, other than, if the Director Options are exercised when the market price of the Shares is greater than the exercise price of the Director Options, there will be a detriment as the Company will be required to issue Shares at a price lower than it might otherwise have been able to, with the result that less funds will be raised. Any funds raised from the exercise of Director Options will supplement the Company's working capital requirements.
 - (iii) The Board does not consider that there are any material taxation consequences or benefits foregone by the Company as a result of issuing the Directors Options on the terms proposed.
- (i) Neither the Directors or the Company is aware of any other information that would be reasonably required by Shareholders to make a decision as to whether it is in the best interests of the Company to pass Resolutions 10 to 14.

7.4 Terms of Director Options

- (a) Subject to the receipt of Shareholder approval, the Director Options will be granted on the terms and conditions set out in Annexure B.
- (b) An estimate of the value of the Director Options is set out in Annexure C.

7.5 Listing Rule 7.1

Listing Rule 7.2 Exception 14 provides for an exception to Listing Rule 7.1 where the issue of securities was made with the approval of holders of ordinary shares.

As Shareholder approval is sought under Listing Rule 10.11, approval is not required under Listing Rule 7.1

8. RESOLUTION 15 – RATIFICATION OF ISSUE OF SHARES TO THE VENDORS OF CAPRICORN IRON (PTY) LTD

8.1 General

Resolution 15 seeks Shareholder ratification for the issue of 5,000,000 Shares to the vendors of Capricorn Iron (Pty) Ltd pursuant to an acquisition agreement, the key terms of which and the Company's reasons for entering into the agreement are set out in the Company's announcements to the ASX on 21 July 2010 and 24 January 2013 (**Acquisition Agreement**).

The Company has issued the 5,000,000 Shares to increase its beneficial interest in Capricorn Iron (Pty) Ltd to 70%.

8.2 Listing Rule 7.4

Broadly, Listing Rule 7.1 provides that a company may not issue equity securities if those securities will, in themselves or when aggregated with the equity securities issued by the company during the previous 12 months, exceed 15% of the number of equity securities on issue at the commencement of that 12 month period unless the issue falls within one of the nominated exceptions or approval of the company's shareholders in general meeting is obtained.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been issued with shareholder approval for the purposes of Listing Rule 7.1

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) 5,000,000 Shares were issued.
- (b) The 5,000,000 Shares were issued for nil cash consideration pursuant to the Acquisition Agreement in partial consideration for the Company increasing its holding in Capricorn Iron (Pty) Ltd to 70%. The Company ascribed a deemed issue price of \$0.16 to each Share issued.
- (c) The Shares are fully paid ordinary shares rank equally in all respects with the Company's existing Shares.
- (d) The Shares were issued to the vendors of Capricorn Iron (Pty) Ltd (none of which are related parties of the Company). It was determined that the Shares would be allotted to the vendors of Capricorn Iron (Pty) Ltd as these allottees were previously shareholders of Capricorn Iron (Pty) Ltd, a company which the Company has acquired a 70% interest in pursuant to the Acquisition Agreement. The vendors of Capricorn Iron (Pty) Ltd are not related parties of the Company.
- (e) The allotment and issue of the Shares did not raise any funds.

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

GLOSSARY

Acquisition Agreement has the meaning given in Section 8.1 of this Explanatory Memorandum.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691.

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

Board means the Board of Directors.

Company or **Midwinter** means Midwinter Resources NL ACN 126 129 413.

Constitution means the constitution of the Company.

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

Director means a director of the Company.

Director Options means options to acquire Shares to be granted to Directors if Resolutions 10 to 14 are approved by Shareholders on the terms and conditions set out in Annexure B.

Explanatory Memorandum means this explanatory memorandum which accompanies and forms part of the Notice of Meeting.

Farm-in Agreement has the meaning given in Section 2.1 of this Explanatory Memorandum.

Futuro has the meaning given in Section 2.4 of this Explanatory Memorandum.

GST has the meaning given in Section 6.4(c) of this Explanatory Memorandum.

Initial Capital Raising has the meaning given in Section 2.5 of this Explanatory Memorandum.

Key Management Personnel means the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, as set out in the Company's most recent Remuneration Report.

Meeting or **General Meeting** means the general meeting of the Company convened by this Notice of Meeting.

MG Chile means Minera Mantos Grandes, an entity to be incorporated in Chile which will hold the Project.

Notice of Meeting or **Notice** means the notice of general meeting which accompanies the Explanatory Memorandum.

Northern Lights Project has the meaning given in Section 2.3 of this Explanatory Memorandum.

Plan means the Director and Senior Management Fee and Remuneration Sacrifice Share Plan.

Project has the meaning given in Section 2.1 of this Explanatory Memorandum.

Proposed Acquisition has the meaning given in Section 2.1 of this Explanatory Memorandum.

Resolutions means resolutions in the Notice of Meeting.

Senior Managers has the meaning given in Section 6.1 of this Explanatory Memorandum.

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

Share Trading Policy has the meaning given in Section 6.4(d) of this Explanatory Memorandum.

Shareholder means a shareholder of the Company.

Southern Hemisphere has the meaning given in Section 2.1 of this Explanatory Memorandum.

Subsequent Capital Raising has the meaning given in Section 2.6 of this Explanatory Memorandum.

Term Sheet has the meaning given in Section 2.1 of this Explanatory Memorandum.

Trading Day has the meaning given in the Listing Rules.

VWAP means volume weighted average price.

WST means Western Standard Time.

ANNEXURE A

NON EXHAUSTIVE LIST OF RISK FACTORS OF THE PROPOSED ACQUISITION

1. Proposed Acquisition is conditional

The Proposed Acquisition is subject to a number of conditions, including that all regulatory approvals required under Australian and Chilean law are granted, that the Project is transferred from Futuro to MG Chile on terms that are acceptable to the Company, Shareholders approve the Proposed Acquisition and the Company satisfies the farm-in payment obligations. There is a risk that one or more of the conditions will not be satisfied and, as a result, the Proposed Acquisition not proceed.

2. Country Risks

While Chile is considered to be one of South America's most politically stable and prosperous nations, it may, nonetheless, be subject to social and economic uncertainty. Civil and political unrest and outbreaks of hostilities in Chile could affect the Company's access to the Project and subsequent exploration and development. Adverse changes in government policies or legislation in Chile affecting foreign ownership of mineral interests, taxation, profit repatriation, royalties, land access, labour relations and mining and exploration activities may affect the operations of the Company.

3. Environmental Risks

The operations and activities of the Company in Chile will be subject to its environmental laws and regulations. As with most exploration projects, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company will seek to minimise any adverse environmental impact by conducting its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws.

4. Exploration Risks

The success of the Company depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. There is no certainty that the Company will be able to profitably exploit any economically mineable reserves and resources and the actual costs of exploration may materially differ from those estimated by the Company. No assurance can be given that the cost estimates and the underlying assumptions used as a basis for those estimates will be realised in practice, which may materially and adversely affect the Company's viability.

5. Operating Risks

Proposed operations on the Project and future operations of the Company, including exploration, appraisal and possible production activities, may be affected by a range of factors, including adverse geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties encountered in survey, drilling and production activities, mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events, unavailability of equipment required to undertake geological and geophysical investigations, unexpected shortages or increases in the cost of labour, consumables, spare parts, plant and equipment and inability to obtain necessary consents, approvals or licences. Such factors may have an adverse impact on the Company's operations and viability.

6. Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts referred to in the Explanatory Memorandum. Any additional equity financing will dilute existing shareholdings, and debt financing (if available) may involve restrictions on future financing and operating activities. If the Company is unable to obtain additional financing as needed or unable to obtain it on acceptable terms (whether or not due to the Company's circumstances or economic and share market conditions or both), it may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Shares.

7. Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. The Company is aware of the need to have sufficient management to properly supervise the exploration and, if exploration is successful, the development of the Company's projects. As the Company's projects and prospects progress and develop, the Board will continually monitor the management requirements in the Company and look to employ or engage additional personnel when and where appropriate to ensure proper management of the Company's projects. However, there is a risk that the Company may not be able to secure personnel with the relevant experience at the appropriate time which may impact on the Company's ability to complete all of its planned exploration programmes within the expected timetable. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment or engagement with the Company.

8. Investment is speculative

The above list of risk factors should not be taken as exhaustive of the possible risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of its securities.

ANNEXURE B

TERMS AND CONDITIONS OF DIRECTOR OPTIONS

The terms and conditions of the Director Options proposed to be issued and allotted and the subject of proposed Resolutions 10 to 14 (inclusive) are as follows:

- (i) Each Director Option gives the holder the right to subscribe for one Share. To obtain the right given by each Director Option, the Director Option holder must exercise the Director Options in accordance with the terms and conditions of the Director Options. The Director Options have an expiry date that is 2 years less one day following the date of issue (**Expiry Date**) and the exercise price will be equal to 125% of the VWAP for the 5 Trading Days preceding the date of the Meeting (**Exercise Price**).
- (ii) Any Director Option not exercised before the relevant Expiry Date will automatically lapse.
- (iii) A holder may exercise their Director Options by lodging with the Company, before the relevant Expiry Date:
 - (a) written notice of exercise of Director Options specifying the number of Director Options being exercised (**Exercise Notice**); and
 - (b) cheque or electronic funds transfer for the relevant Exercise Price for the number of Director Options exercised.
- (iv) An Exercise Notice is only effective when the Company has received the full amount of the relevant Exercise Price in cleared funds.
- (v) Within 14 Business Days of receipt of the Exercise Notice accompanied by the relevant Exercise Price for the number of Director Options being exercised, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.
- (vi) All Shares issued upon the exercise of Director Options will rank pari passu in all respects with other Shares.
- (vii) In the event the Company remains listed on ASX at the time of exercise of the Director Options, the Company will apply for quotation on ASX of all Shares issued on exercise of Director Options within 10 business days after the date of issue of those Shares.
- (viii) If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules (if applicable) at the time of the reconstruction.
- (ix) There are no participating rights or entitlements inherent in the Director Options and Director Option 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.
- (x) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Director Options, the exercise price of the Director Options will be treated in accordance with the Listing Rules (if applicable).
- (xi) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Director Options, the number of securities over which a Director Option is exercisable may be increased by the number of securities which the Director Option holder would have received if the Director Option had been exercised before the record date for the bonus issue. The Exercise Price will not change as a result of the bonus issue.

ANNEXURE C

ESTIMATE OF THE VALUE OF DIRECTOR OPTIONS

An estimate of the value of the Director Options that are proposed to be granted to Directors on the terms set out in Annexure B (pursuant to the passing of Resolutions 10 to 14 inclusive) using the theoretical Black Scholes Option Pricing Model has been calculated as set out below:

Director	Number of Director Options	Estimated Value A\$
Adrian Griffin	750,000	\$24,282
Martin Pyle	500,000	\$16,188
Bryan Dixon	500,000	\$16,188
David Seymour	500,000	\$16,188
Philip Miolin	500,000	\$16,188
Total	2,750,000	\$89,034

The estimated value of the Director Options was calculated using the following assumptions:

1. the date of the valuation is 27 June 2013;
2. the risk free rate is approximately 3.00% (represented by the current Reserve Bank of Australia, Cash rate);
3. Share price of A\$0.075 (which represents the ASX VWAP per Share for the 5 Trading Days preceding 27 June 2013);
4. dividend yield of 0%;
5. forecast volatility of 90% (based on the range to which the Shares have been trading on the ASX and other comparable company volatilities);
6. the Director Options will expire 2 years less one day from date of their issue;
7. the exercise price of the Director Options for the purpose of this valuation is: \$0.094 (based on 125% of the VWAP for the 5 Trading Days prior to 27 June 2013);
8. nil discount factor; and
9. indicative value per Director Option - \$0.032.

** The actual exercise prices of the Director Options will be determined on the date of the Meeting. They will be based on 125% of the VWAP for the 5 Trading Days prior to the date of the Meeting. The intended grant date of the Director Options is a future date yet to be decided though expected to be on 26 August 2013 or thereafter. However, since the actual Share price is not known, for the purposes of the valuation, the Director Options have been valued as though granted on 27 June 2013. The Director Options have been valued using market data current at that time. Accordingly, the actual exercise price (and also the value of the Director Options as at the date of issue) could vary having regard to the fluctuations in the market price of the Shares between the date of this Notice and the date upon which the Director Options are offered to Messrs Griffin, Pyle, Dixon, Seymour and Miolin following the General Meeting in which case the valuation of the Director Options may vary.*

**PROXY FORM
MIDWINTER RESOURCES NL
ACN 126 129 413**

GENERAL MEETING

I/We

of

appoint

being a member of Midwinter Resources NL entitled to attend and vote at the General Meeting, hereby

Name of proxy

OR

☐

the Chair of the General Meeting,

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held 9:30am (WST), on 26 August 2013 at 150 Great Eastern Highway, Ascot WA 6104, and at any adjournment thereof.

IMPORTANT:

If the Chairman of the meeting is your nominated 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 a Resolution, please mark this box.

☐

By marking this box, when you have not directed your proxy how to vote below, you acknowledge that the Chairman of the meeting (whether nominated or by default), acting as your proxy, may exercise your undirected proxy votes in his discretion even if he has an interest in the outcome of the Resolutions, and that votes cast by him, other than as a proxy holder, will be disregarded because of those interests. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on such Resolutions and your votes will not be counted in calculating the required majority if a poll is called on those Resolutions.

Please note that the Chairman of the meeting intends to vote undirected proxies in favour of each Resolution. Accordingly, if you intend to appoint the Chairman as your proxy and do not wish to vote in favour of each Resolution, please do not mark the above box, but instead mark the appropriate boxes below.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Change to scale of activities	☐	☐	☐
Resolution 2 – Equity capital raising	☐	☐	☐
Resolution 3 – Change of Company name	☐	☐	☐
Resolution 4 – Issue of Shares under Plan	☐	☐	☐
Resolution 5 – Participation of Mr Adrian Griffin in Plan	☐	☐	☐
Resolution 6 – Participation of Mr Martin Pyle in Plan	☐	☐	☐
Resolution 7 – Participation of Mr Bryan Dixon in Plan	☐	☐	☐
Resolution 8 – Participation of Mr David Seymour in Plan	☐	☐	☐
Resolution 9 – Participation of Mr Philip Miolin in Plan	☐	☐	☐
Resolution 10 – Issue of Director Options – Mr Adrian Griffin	☐	☐	☐
Resolution 11 – Issue of Director Options – Mr Martin Pyle	☐	☐	☐
Resolution 12 – Issue of Director Options – Mr Bryan Dixon	☐	☐	☐
Resolution 13 – Issue of Director Options – Mr David Seymour	☐	☐	☐
Resolution 14 – Issue of Director Options – Mr Philip Miolin	☐	☐	☐
Resolution 15 – Ratification of issue of Shares	☐	☐	☐

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

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

**MIDWINTER RESOURCES NL
ACN 126 129 413**

Instructions for completing Proxy Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. 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 Midwinter Resources NL, Suite 3, 23 Belgravia Street, Belmont, WA 6104; or
 - (a) facsimile to the Company on facsimile number +61 8 9475 0847.

so that it is received by 9:30am WST on 24 August 2013.

Proxy forms received later than this time will be invalid.