

KALGOORLIE-BOULDER RESOURCES LTD
ACN 106 732 487

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

DAY, DATE AND TIME OF MEETING

Wednesday, 30 November 2005 at 10am

PLACE OF MEETING

48 Lake Street
Northbridge WA 6003

These papers should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

KALGOORLIE-BOULDER RESOURCES LIMITED

ACN 106 732 487

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2005 Annual General Meeting of shareholders of Kalgoorlie-Boulder Resources Limited ('Company') will be held at 48 Lake Street, Northbridge, Western Australia on Wednesday, 30 November 2005 at 10am.

AGENDA

BUSINESS

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of Meeting.

Consideration of Reports

To receive and consider the Financial Report, Directors' Report and the Independent Audit Report of the Company for the year ended 30 June 2005.

Resolution 1 – Non Binding resolution to adopt the Remuneration Report

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

'That the Remuneration Report as disclosed in the Directors' Report for the year ended 30 June 2005 be adopted.'

Note: The vote on this resolution is advisory only and does not bind the Directors of the Company.

Resolution 2 – Re-Election of Mr David Prentice as a Director

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

'That Mr David Prentice, being a Director of the Company, retires by rotation in accordance with the Company's Constitution and, being eligible for re-election, be reappointed as a Director of the Company.'

Resolution 3 – Approval of Proposed Share and Option Placement

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

'That pursuant to ASX Listing Rule 7.1 the Company approve and authorise the issue of up to 10,000,000 shares for 20 cents each with 1 free option (20 cent options expiring 31 July 2008) for every 2 shares subscribed for as at the date of the placement, to be allotted to selected investors within 3 months of the date of this resolution being approved by shareholders, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.'

Voting Exclusion Statement

For the purposes of ASX Listing Rule 7.1, the Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and a 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 such a person. However, the Company need not disregard a vote if:

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

Resolution 4 – Approval of Proposed Issue of Options to Delta Securities

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

'That, subject to Resolution 3 being passed, for all purposes, the Company approve and authorise the grant and issue of up to 3,750,000 options for no consideration, each option having an exercise price of 20 cents each and an expiry date of 31 July 2008 on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting to Delta Securities or their nominee(s).'

Voting Exclusion Statement

For the purposes of ASX Listing Rule 7.1, the Company will disregard any votes cast on this resolution by the Delta Securities and any associate of Delta Securities. However, the Company need not disregard a vote if:

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

Resolution 5 – Grant of Options to Mr Trevor Matthews

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

'That pursuant to ASX Listing Rule 10.11 the Company approve and authorise the grant and issue of:

- up to 500,000 options for no consideration, each option having an exercise price of 30 cents each and an expiry date of 31 July 2008; and
- up to 500,000 options for no consideration, each option having an exercise price of 40 cents each and an expiry date of 31 July 2008

on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting to Mr Trevor Matthews or his nominee.'

Voting Exclusion Statement

For the purposes of ASX Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on this resolution by Mr Trevor Mathews and any associate of Mr Trevor Mathews. However, the Company need not disregard a vote if:

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

Resolution 6 – Grant of Options to Mr David Prentice

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

‘That pursuant to ASX Listing Rule 10.11 the Company approve and authorise the grant and issue of:

- up to 500,000 options for no consideration, each option having an exercise price of 30 cents each and an expiry date of 31 July 2008; and
- up to 500,000 options for no consideration, each option having an exercise price of 40 cents each and an expiry date of 31 July 2008

on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting to Mr David Prentice or his nominee.’

Voting Exclusion Statement

For the purposes of ASX Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on this resolution by Mr David Prentice and any associate of Mr David Prentice. However, the Company need not disregard a vote if:

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

Resolution 7 – Grant of Options to Mr Kenneth Allen

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

‘That pursuant to ASX Listing Rule 10.11 the Company approve and authorise the grant and issue of:

- up to 500,000 options for no consideration, each option having an exercise price of 30 cents each and an expiry date of 31 July 2008; and
- up to 500,000 options for no consideration, each option having an exercise price of 40 cents each and an expiry date of 31 July 2008

on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting to Mr Kenneth Allen or his nominee.’

Voting Exclusion Statement

For the purposes of ASX Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on this resolution by Mr Kenneth Allen and any associate of Mr Kenneth Allen. However, the Company need not disregard a vote if:

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

Resolution 8 – Grant of Options to Mr John Coles

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

‘That pursuant to ASX Listing Rule 7.1 the Company approve and authorise the grant and issue of:

- up to 250,000 options for no consideration, each option having an exercise price of 30 cents each and an expiry date of 31 July 2008; and
- up to 250,000 options for no consideration, each option having an exercise price of 40 cents each and an expiry date of 31 July 2008

on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting to Mr John Coles or his nominee.’

Voting Exclusion Statement

For the purposes of ASX Listing Rule 7.1, the Company will disregard any votes cast on this resolution by Mr John Coles and any associate of Mr John Coles. However, the Company need not disregard a vote if:

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

Resolution 9 – Grant of Options to Mr Mark Sampson

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

‘That pursuant to ASX Listing Rule 7.1 the Company approve and authorise the grant and issue of:

- up to 250,000 options for no consideration, each option having an exercise price of 30 cents each and an expiry date of 31 July 2008; and
- up to 250,000 options for no consideration, each option having an exercise price of 40 cents each and an expiry date of 31 July 2008

on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting to Mr Mark Sampson or his nominee.’

Voting Exclusion Statement

For the purposes of ASX Listing Rule 7.1, the Company will disregard any votes cast on this resolution by Mr Mark Sampson and any associate of the Mr Mark Sampson. However, the Company need not disregard a vote if:

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

Resolution 10 – Grant of Options to Mr Lindsay Cahill

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

‘That pursuant to ASX Listing Rule 7.1 the Company approve and authorise the grant and issue of:

- up to 250,000 options for no consideration, each option having an exercise price of 30 cents each and an expiry date of 31 July 2008; and
- up to 250,000 options for no consideration, each option having an exercise price of 40 cents each and an expiry date of 31 July 2008

on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting to Mr Lindsay Cahill or his nominee.’

Voting Exclusion Statement

For the purposes of ASX Listing Rule 7.1, the Company will disregard any votes cast on this resolution by Mr Lindsay Cahill or and any associate of Mr Lindsay Cahill. However, the Company need not disregard a vote if:

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

For the purposes of the Resolutions:

‘**Company**’ means Kalgoorlie-Boulder Resources Ltd ACN 106 732 487.

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

‘**Delta Securities**’ means the entity trading as Delta Securities with its offices at Level 17 Exchange Plaza, 2 the Esplanade, Perth, WA 6000.

‘**Explanatory Memorandum**’ means the Explanatory Memorandum to the Notice.

‘**Notice**’ means this Notice of Annual General Meeting.

'Option' means an option to acquire a Share, the terms and conditions of which are set out in Annexures A, B and C to the Explanatory Memorandum accompanying this Notice of Meeting.

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

Other Business

To deal with any other business which may be brought forward in accordance with the Company's Constitution and the Corporations Act 2001 (Cth).

By order of the Board

A handwritten signature in black ink, appearing to be 'John Coles', written over a horizontal line.

John Coles

Company Secretary

Dated: 21 October 2005

PROXIES

A shareholder entitled to attend and vote at the above Annual General Meeting of shareholders may appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. A proxy may, but need not be, a shareholder of the Company. Proxy forms must reach the Registered Office of the Company at least 48 hours prior to the Annual General Meeting.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding ordinary shares at the close of business on 28 November 2005 will be entitled to attend and vote at the annual general meeting.

KALGOORLIE-BOULDER RESOURCES LIMITED

ACN 106 732 487

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

The Directors of the Company recommend shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions. If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding Notice, please contact your stockbroker or other professional adviser.

Terms used in this Notice have the meanings set out in the Glossary of the Explanatory Memorandum.

The following information should be noted in respect of the various matters contained in the accompanying Notice:

Consideration of Reports

The Corporations Act requires that the Financial Report, Directors' Report and the Independent Audit Report be laid before the Annual General Meeting. In addition the Company's Constitution provides for such Reports and Statements to be received and considered at the meeting. Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders at the Annual General Meeting on such Reports or Statements, however shareholders will be given ample opportunity to raise questions with respect to these Reports and Statements at the meeting.

Resolution 1 – Non Binding resolution to adopt the Remuneration Report as disclosed in the 2005 Annual Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the 2005 Annual Report for its Shareholders to consider and vote on its adoption. The vote on the resolution is advisory only and does not bind the Directors of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

Resolution 2 – Re-Election of Mr David Prentice as a Director

Mr David Prentice GradDip BA, MBA
Non-Executive Director

Mr Prentice was appointed a director of the Company on 14 January 2005. Mr Prentice has over 19 years experience in the commercial management and business development within the natural resources sector, working for some of Australia's leading

resource companies. He is currently the Chief Executive Officer of Gadens Lawyers (Western Australia) and a non-executive director of Gleneagle Gold Ltd.

Pursuant to clause 11.2 of the Company's Constitution, David Prentice, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company.

Resolution 3 – Approval of Share and Option Placement

The Company is considering a placement of shares up to a maximum number of 10,000,000 shares in the capital of the Company, with 1 free option (20 cent options expiring 31 July 2008) for every 2 shares subscribed for as at the date of the placement, to be allotted to selected investors within 3 months of the date of the resolution being approved by shareholders, on the terms and conditions set out in Annexure A of this Explanatory Memorandum. It is proposed that the shares and options issued pursuant to the placement will be listed on ASX.

The purpose of the proposed share placement is to raise funds to finance the initial acquisition costs of the Oklahoma Oil and Gas leases (announced to the ASX on 14 October 2005).

The issue price of the shares to be issued is 20 cents which is the current market price of the shares of the Company and which was the issue price of the shares of the Company initially offered to the public through a prospectus dated 22 February 2005.

Legal and Regulatory Matters

ASX Listing Rule 7.1 provides that a listed company may not issue securities in any twelve month period where the total number of securities to be issued exceeds 15% of the number of fully paid ordinary shares on issue twelve months before the date of issue, except with the prior approval of members of the company in general meeting of the terms and conditions of the proposed issue or where the issue is pro rata to all shareholders in accordance with their existing shareholdings.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

ASX Listing Rule 7.3 requires the following information to be given to Shareholders and approval is sought from Shareholders for the issue of the Shares and Options on the following terms:

(a) *Number of securities allotted*

10,000,000 Shares and 5,000,000 Options.

(b) *The date by which the Company will issue securities*

The Shares and Options will be issued not later than 3 months after the date of Shareholder approval.

(c) *Issue price of the securities*

The issue price per Share is 20 cents. The Options will be issued for no consideration.

(d) *Terms of the securities*

The Shares to be issued under Resolution 3 are fully paid ordinary Shares and are on the same terms as existing fully paid ordinary Shares in the Company.

The terms of the Options to be issued under Resolution 3 are to acquire one Share per Option at an exercise price of 20 cents per Share, expiring on 31 July 2008. The terms of these Options are set out in full in Annexure A.

(e) *Names of the allottees or the basis on which allottees were determined*

The Shares and Options have not yet been allotted. The Shares and Options issued under the proposed Resolution 3 will be allotted investors selected at the Board's discretion.

(f) *Use (or intended use) of the funds raised*

Funds raised by the issue of Shares will be used to finance the initial acquisition costs of the Oklahoma oil and gas leases as announced to the ASX on 14 October 2005.

(g) *Date of allotment*

The Shares and Options will be allotted progressively for the purpose outlined above and in any event not later than 3 months after the date of Shareholder approval.

Directors' Recommendation

The Board believes that the proposed resolution is beneficial to the Company.

The Board recommends that Shareholders vote in favour of Resolution 3 as it allows the Company to complete the transaction announced to the ASX on 14 October 2005.

Resolution 4 – Approval of Grant of Options to Delta Securities

Delta Securities have agreed to manage the proposed share placement the subject of Resolution 3. They will receive a fee of 6% on all funds raised from the proposed share placement plus 3,750,000 Options for no consideration. The options will have an exercise price of 20 cents each and an expiry date of 31 July 2008 on the terms and conditions set out in Annexure A of this Explanatory Memorandum. It is proposed that the options issued pursuant to the placement will be listed on ASX.

Legal and Regulatory Matters

ASX Listing Rule 7.1 provides that a listed company may not issue securities in any twelve month period where the total number of securities to be issued exceeds 15% of the number of fully paid ordinary shares on issue twelve months before the date of issue, except with the prior approval of members of the company in general meeting of the terms and conditions of the proposed issue or where the issue is pro rata to all shareholders in accordance with their existing shareholdings.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) *Number of securities allotted*
3,750,000 Options.
- (b) *The date by which the Company will issue securities*
The Options will be issued not later than 3 months after the date of Shareholder approval.
- (c) *Issue price of the securities*
The Options will be issued for no consideration.
- (d) *Terms of the securities*
The Options to be issued under Resolution 4 are to acquire one Share per Option at an exercise price of 20 cents per Share, expiring on 31 July 2008. The terms of these Options are set out in full in Annexure A.
- (e) *Names of the allottees or the basis on which allottees were determined*
All the Options issued under the proposed Resolution 4 will be allotted to Delta Securities.
- (f) *Use (or intended use) of the funds raised*
No funds will be raised by the issue of the Options. The Options will be issued to Delta Securities in partial consideration for their role as managers of the share placement proposed under Resolution 3.
- (g) *Date of allotment*
The Options will be allotted progressively for the purpose outlined above and in any event not later than 3 months after the date of Shareholder approval.

Directors' Recommendation

The Board believes that the proposed resolution is beneficial to the Company.

The Board recommends that Shareholders vote in favour of Resolution 4 as it allows the Company to comply with its agreement with Delta Securities.

Resolutions 5 to 7 – Grant of Options to Directors

Resolutions 5 to 7 seeks the approval, pursuant to Listing Rule 10.11 and section 208 of the Corporations Act, for the issue of up to 1,500,000 unlisted options in accordance with the terms and conditions set out in Annexure B of this Notice (**'A' Options**) and 1,500,000 unlisted options in accordance with the terms and conditions set out in Annexure C of this Notice (**'B' Options**) to Messrs Trevor Matthews, David Prentice, and Kenneth Allen, or their nominees (together **'Participating Directors'**) as follows:

Name	A Options	B Options	Total Options
Trevor Matthews	500,000	500,000	1,000,000
David Prentice	500,000	500,000	1,000,000
Kenneth Allen	500,000	500,000	1,000,000

Incentives

The grant of the Options is designed to encourage the Participating Directors to achieve the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

Under the Company's current circumstances the Directors consider that the performance based incentives to the Participating Directors, represented by the issue of the Options as noted above, are a cost effective and efficient reward and incentive for the Company, as compared to alternative forms of incentives, such as payment of additional cash compensation.

The number of A Options and B Options to be issued to each of the Participating Directors has been determined based on a number of factors including:

- (a) **Length of Service.** Each of the Participating Directors having overseen the development of the Company culminating in its admission to the ASX in April 2005.
- (b) **Continuity of Board Members.** The Participating Directors have each acquired a substantial and extensive knowledge regarding the Company, its operations, projects and major investors.
- (c) **Alignment of Interests.** The Directors consider that it is in the interests of shareholders to align the interests of Directors and shareholders by encouraging Directors, subject to appropriate conditions, to have an equity holding in the Company. However, the Directors consider that similarly to other shareholders, this interest should arise through direct investment by the

Directors in the Company. In this regard, where the Options are exercised the Directors will be investing \$1,050,000 into the Company.

- (d) **Allocation of Options.** The Directors have allocated the Options amongst themselves based upon the contributions each has made and is expected to make to the advancement of the Company.

The Directors have determined the exercise price in light of the recent price of Shares in the Company. In this regard, in the period since listing and before the issue of this Notice of Meeting, the highest price of Shares was 23.5 cents the lowest price was 18 cents. The latest available closing price prior to the date of the Notice of Meeting was prepared and lodged for submission to the ASX was 20 cents. The trading history of the Company from the date of listing on ASX is attached as Annexure D.

Legal and Regulatory Matters

The Participating Directors are related parties of the Company within the definition of that term in Part 2E of the Corporations Act.

ASX Listing Rule 10.11 prohibits the issue of options to a related party of the Company without Shareholder approval. Section 208 of the Corporations Act also prohibits, subject to specified exceptions, a Company giving a financial benefit to a related party of the Company without Shareholder approval. The proposed issue of options to the Participating Directors or their nominees may represent the giving of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act.

As the exemptions in Chapter 2E of the Corporations Act may not apply, approval of the possible issue of options to the Participating Directors is required from the Company's Shareholders pursuant to ASX Listing Rule 10.11 and Section 208 of the Corporations Act.

As shareholder approval is being sought under ASX Listing Rule 10.11, shareholder approval under ASX Listing Rule 7.1 is not required.

The following information is provided in compliance with the related party provisions of Chapter 2E of the Corporations Act and ASX Listing Rule 10.13:

- (a) The maximum number of options that may be issued pursuant to Resolutions 5 to 7 is 3,000,000. The terms and conditions of the A Options are set out in Annexure B of this Explanatory Memorandum and the terms and conditions of the B Options are set out in Annexure C of this Explanatory Memorandum.
- (b) The options will be issued on a date within one month from the date of this meeting or at such a later date approved by the ASX.

- (c) The optionholders will be Messrs Trevor Matthews, David Prentice, and Kenneth Allen, or their nominees, as follows:

Name	A Options	B Options	Total Options
Trevor Matthews	500,000	500,000	1,000,000
David Prentice	500,000	500,000	1,000,000
Kenneth Allen	500,000	500,000	1,000,000

- (d) No funds are being raised for the proposed issue of Options.
- (e) The terms and conditions of the A Options are set out in Annexure B of this Explanatory Memorandum and the terms and conditions of the B Options are set out in Annexure C of this Explanatory Memorandum.
- (f) A voting exclusion statement has been included in the Notice.
- (g) Mr Trevor Matthews has an interest in the outcome of Resolution 5 and declines to make a recommendation to members with respect to Resolution 5. Each of the other directors who do not have an interest in Resolution 5 recommends Resolution 5.
- (h) Mr David Prentice has an interest in the outcome of Resolution 6 and declines to make a recommendation to members with respect to Resolution 6. Each of the other directors who do not have an interest in Resolution 6 recommends Resolution 6.
- (i) Mr Kenneth Allen has an interest in the outcome of Resolution 7 and declines to make a recommendation to members with respect to Resolution 7. Each of the other directors who do not have an interest in Resolution 7 recommends Resolution 7.
- (j) Mr Matthews is the Managing Director and is retained under contract. The contract is held with Mr Matthews' service entity which is paid \$120,000 per annum. His base consultancy fee for the financial year ended 30 June 2005 was \$45,000 and he received 500,000 Shares for nil consideration. Mr Matthews has been paid or is payable director's remuneration since 30 June 2005 to the date of this Notice, totalling \$40,000.
- (k) Mr Prentice and Mr Allen are Non-Executive Directors. Their remuneration is \$24,000 per annum each. For the financial year ended 30 June 2005, they were each paid \$9,000 and received 250,000 Shares for nil consideration. They have been paid or are payable director's remuneration since 30 June 2005 to the date of Notice, totalling \$8,000 each.

- (l) The existing shareholding of Messrs Trevor Matthews, David Prentice, and Kenneth Allen, and their associates is as follows:

Director	Shareholding	% of Issued Capital	Optionholding
Trevor Matthews	1,211,681	3.62	500,000*
David Prentice	350,000	1.04	-
Kenneth Allen	250,000	0.75	-

**The options are 30 cent options expiring on 31 July 2008.*

- (m) The issued capital of the Company as at the date of the Notice is:

- 33,505,444 fully paid ordinary shares
- 5,000,000 20 cent options expiring 31 July 2008
- 6,000,000 30 cent options expiring 31 July 2008

- (n) If the Options (pursuant to Resolutions 5 to 7) were issued immediately after the meeting, the issued capital would be:

- 33,505,444 fully paid ordinary shares
- 5,000,000 20 cent options expiring 31 July 2008
- 7,500,000 30 cent options expiring 31 July 2008
- 1,500,000 40 cent options expiring 31 July 2008

- (o) The Company was listed in April 2005. The trading history of the Shares is detailed in Annexure D.

- (p) If any of the Options granted as proposed in Resolutions 5 to 7 are exercised, the effect would be to dilute the shareholding of existing shareholders. Assuming all Options granted as proposed in Resolutions 5 to 7 are exercised, the total dilution would be approximately 8.22%. The market price of the Shares during the period of the Options will normally determine whether or not the Participating Directors would exercise their options. If the options are exercised at a price lower than the price at which Shares are trading on ASX, there may be a perceived cost to the Company.

- (q) The Options will be issued free as consideration for performance of work, both previously done and to be done in the future, by the Participating Directors for the Company and to secure an ongoing commitment of the Participating Directors to the continued growth of the Company. The Board considers that the granting of the Options to the Participating Directors constitutes valid consideration for work performed for the Company. The Company acknowledges the issue of options to Non-Executive Directors is contrary to recommendation 9.3 of the ASX Principles of Good Corporate Governance and Best Practice Recommendations. However, the Board considers the grant of the Options pursuant to Resolutions 6 and 7 to be reasonable in the circumstances given the Company's size and stage of development and the necessity to attract and retain the highest calibre of professional to the role, whilst maintaining the Company's cash reserve.

- (r) The Options have been valued using the Black-Scholes Model, which is one of the most widely used and recognised models for pricing options. The value of an

Option calculated by the Black-Scholes Model is a function of a number of variables. Their assessment of the value of the Options has been prepared using the following variables:

- the price of the underlying share is 20 cents;
- the exercise price is 30 cents for A Options and 40 cents for B Options;
- the option term is 2.5 years;
- a volatility factor range of 50% to 75% (based on the volatility factors of comparable companies due to the Company not having traded for a sufficient period to determine an appropriate volatility factor);
- expected dividend yield of \$nil; and
- a risk free interest rate of 5.25%.

Using the abovementioned variables the Black-Scholes Model calculates a range of values as described below:

- A Options to range between 4 cents (based on a volatility factor of 50%) to 7 cents (based on a volatility factor of 75%), giving a total value of \$60,000 to \$105,000 for the 1,500,000 A Options proposed to be granted in Resolutions 5 to 7; and
- B Options to range between 3 cents (based on a volatility factor of 50%) to 6 cents (based on a volatility factor of 75%), giving a total value of \$45,000 to \$90,000 for the 1,500,000 B Options proposed to be granted in Resolutions 5 to 7.

Any change in the variables applied in the Black-Scholes Model between the date of the valuation and the date the Options are granted would have an impact on their value. A discount to the value of the Options may be appropriate as the Options will not be listed options and therefore the liquidity or ability to sell the options is reduced.

- (s) Members should read all relevant sections of this Explanatory Memorandum in full and decide whether to vote in favour or otherwise for this resolution.
- (t) Other than the information provided above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass this Resolution.

Resolutions 8 to 10 – Grant of Options to Senior Executives

It is proposed to grant Options to the Company Secretary and two consultants who provide services to the Company. Each of the Company Secretary and the two consultants are considered to be senior executives of the Company.

Mr John Coles was appointed Company Secretary and undertook the Chief Financial Officer role in February 2005. Mr Mark Sampson is the Technical Manager and Mr Lindsay Cahill is the Exploration Manager. Each of these senior executives has acquired a substantial and extensive working knowledge regarding the Company, its operation and projects. The Directors believe it is in the interests of the Company to secure the ongoing commitment of the senior executives to the Company and the

continued growth of the Company through issuing the Options free as consideration for performance of work, both previously done and to be done in the future, by the senior executives of the Company.

In addition, the Directors consider that it is in the interests of shareholders to align the interests of senior executives and shareholders by encouraging senior executives, subject to appropriate conditions, to have an equity holding in the Company. However, the Directors consider that similarly to other shareholders, this interest should arise through direct investment by the senior executives in the Company. In this regard, where the Options are exercised the senior executives will be investing \$525,000 into the Company.

All the Directors recommend that Resolutions 8 to 10 be approved.

Legal and Regulatory Matters

ASX Listing Rule 7.1 provides that a listed company may not issue securities in any twelve month period where the total number of securities to be issued exceeds 15% of the number of fully paid ordinary shares on issue twelve months before the date of issue, except with the prior approval of members of the company in general meeting of the terms and conditions of the proposed issue or where the issue is pro rata to all shareholders in accordance with their existing shareholdings.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolutions 8 to 10:

(a) *Number of securities allotted*

750,000 A Options and 750,000 B Options.

(b) *The date by which the Company will issue securities*

The Options will be issued not later than 3 months after the date of Shareholder approval.

(c) *Issue price of the securities*

The Options will be issued for no consideration.

(d) *Terms of the securities*

The A Options have an exercise price of 30 cents and an expiry date of 31 July 2008. The full terms and conditions of the A Options are set out in Annexure B to this Explanatory Memorandum

The B Options have an exercise price of 40 cents and an expiry date of 31 July 2008. The full terms and conditions of the B Options are set out in Annexure C to this Explanatory Memorandum.

(e) *Names of the allottees or the basis on which allottees were determined*

The allottees are Mr John Coles or his nominee or nominees, Mr Mark Samson or his nominee or nominees, and Mr Lindsay Cahill or his nominee or nominees.

(f) *Use (or intended use) of the funds raised*

No funds will be raised by the issue of Options.

(g) *Date of allotment*

The Options will be allotted progressively for the purpose outlined above and in any event not later than 3 months after the date of Shareholder approval.

GLOSSARY

'ASIC' means the Australian Securities and Investments Commission.

'ASX' means the Australian Stock Exchange Limited.

'Board' means the board of directors of the Company.

'Company' means Kalgoorlie-Boulder Resources Ltd ACN 106 732 487.

'Corporations Act' means Corporations Act 2001 (Cth).

'Director' means a director of the Company.

'Explanatory Memorandum' means this Explanatory Memorandum to the Notice.

'Listing Rules' means the Listing Rules of ASX.

'Notice' means the Notice of Meeting accompanying this Explanatory Memorandum.

'Options' means options to acquire Shares.

'Participating Directors' means each of Messrs Trevor Matthews, David Prentice, and Kenneth Allen.

'Shares' means fully paid ordinary shares in the Company.

ANNEXURE A

TERMS AND CONDITIONS OF 20 CENT OPTIONS

1. Each option entitles the holder to subscribe for 1 ordinary fully paid share in the capital of Kalgoorlie-Boulder Resources Ltd ('**Company**') at an exercise price of 20 cents per share.
2. The options are exercisable at any time in whole or in part on or prior to 31 July 2008 ('**Expiry Date**') by notice in writing to the Company, accompanied by payment of the exercise price.
3. The options are transferable and will be listed for official quotation on Australian Stock Exchange Ltd ('**ASX**').
4. The options have no voting rights.
5. Shares issued upon exercise of the options will be allotted within 5 days of receipt of a properly executed notice and of payment in full of the exercise price. All shares issued upon exercise of the options will rank pari-passu in all respects with the Company's then existing fully paid ordinary shares. If the shares are listed on ASX, the Company will apply for listing of the new shares within 5 days of allotment.
6. The options carry no entitlement to participate in dividends or rights to participate in new issues of capital offered to shareholders during the currency of the options. The Company will give the holder 10 days' notice of the closing date for applications for new issued shares so that the holder may exercise his/her options and participate in the issues.
7. In the event of a reorganisation of the issued capital of the Company, the Options will be reorganised in accordance with the ASX Listing Rules.
8. An exercise of only some options shall not affect the rights of the option holder to the balance of the options held by him/her.

ANNEXURE B

TERMS AND CONDITIONS OF A OPTIONS

1. Each option entitles the holder to subscribe for 1 ordinary fully paid share in the capital of Kalgoorlie-Boulder Resources Ltd ('**Company**') at an exercise price of 30 cents per share.
2. The options are exercisable at any time in whole or in part on or prior to 31 July 2008 ('**Expiry Date**') by notice in writing to the Company, accompanied by payment of the exercise price.
3. The options are transferable and will not be listed for official quotation on Australian Stock Exchange Ltd ('**ASX**').
4. The options have no voting rights.
5. Shares issued upon exercise of the options will be allotted within 5 days of receipt of a properly executed notice and of payment in full of the exercise price. All shares issued upon exercise of the options will rank pari-passu in all respects with the Company's then existing fully paid ordinary shares. If the shares are listed on ASX, the Company will apply for listing of the new shares within 5 days of allotment.
6. The options carry no entitlement to participate in dividends or rights to participate in new issues of capital offered to shareholders during the currency of the options. The Company will give the holder 10 days' notice of the closing date for applications for new issued shares so that the holder may exercise his/her options and participate in the issues.
7. In the event of a reorganisation of the issued capital of the Company, the Options will be reorganised in accordance with the ASX Listing Rules.
8. An exercise of only some options shall not affect the rights of the option holder to the balance of the options held by him/her.

ANNEXURE C

TERMS AND CONDITIONS OF B OPTIONS

9. Each option entitles the holder to subscribe for 1 ordinary fully paid share in the capital of Kalgoorlie-Boulder Resources Ltd ('**Company**') at an exercise price of 40 cents per share.
10. The options are exercisable at any time in whole or in part on or prior to 31 July 2008 ('**Expiry Date**') by notice in writing to the Company, accompanied by payment of the exercise price.
11. The options are transferable and will not be listed for official quotation on Australian Stock Exchange Ltd ('**ASX**').
12. The options have no voting rights.
13. Shares issued upon exercise of the options will be allotted within 5 days of receipt of a properly executed notice and of payment in full of the exercise price. All shares issued upon exercise of the options will rank pari-passu in all respects with the Company's then existing fully paid ordinary shares. If the shares are listed on ASX, the Company will apply for listing of the new shares within 5 days of allotment.
14. The options carry no entitlement to participate in dividends or rights to participate in new issues of capital offered to shareholders during the currency of the options. The Company will give the holder 10 days' notice of the closing date for applications for new issued shares so that the holder may exercise his/her options and participate in the issues.
15. In the event of a reorganisation of the issued capital of the Company, the Options will be reorganised in accordance with the ASX Listing Rules.
16. An exercise of only some options shall not affect the rights of the option holder to the balance of the options held by him/her.

ANNEXURE D

TRADING HISTORY OF KALGOORLIE-BOULDER RESOURCES LTD (ASX: KAL)

Date	Open	High	Low	Close	Volume
20-Apr-05	0.22	0.22	0.21	0.22	422000
21-Apr-05	0.21	0.21	0.205	0.205	124000
22-Apr-05	0.22	0.25	0.22	0.25	122800
27-Apr-05	0.24	0.24	0.22	0.22	12000
29-Apr-05	0.22	0.22	0.22	0.22	8863
3-May-05	0.2	0.22	0.19	0.2	455438
10-May-05	0.2	0.2	0.2	0.2	124699
12-May-05	0.2	0.2	0.2	0.2	23000
13-May-05	0.22	0.22	0.22	0.22	50000
16-May-05	0.2	0.2	0.19	0.2	177000
17-May-05	0.2	0.2	0.2	0.2	50000
18-May-05	0.2	0.21	0.2	0.21	62000
24-May-05	0.21	0.21	0.21	0.21	5000
26-May-05	0.225	0.225	0.22	0.22	272000
27-May-05	0.22	0.22	0.2	0.2	139000
30-May-05	0.2	0.2	0.2	0.2	50000
31-May-05	0.21	0.21	0.21	0.21	25000
1-Jun-05	0.21	0.21	0.21	0.21	50000
2-Jun-05	0.21	0.21	0.21	0.21	5000
6-Jun-05	0.21	0.21	0.21	0.21	25000
7-Jun-05	0.21	0.21	0.21	0.21	30000
9-Jun-05	0.21	0.21	0.205	0.205	30000
10-Jun-05	0.23	0.235	0.23	0.235	100450
14-Jun-05	0.215	0.215	0.21	0.21	180000
15-Jun-05	0.205	0.235	0.205	0.23	182000
16-Jun-05	0.22	0.22	0.22	0.22	22500
17-Jun-05	0.21	0.21	0.205	0.205	25000
20-Jun-05	0.22	0.22	0.2	0.2	49385
21-Jun-05	0.2	0.2	0.2	0.2	175000
22-Jun-05	0.19	0.19	0.19	0.19	7500
27-Jun-05	0.185	0.21	0.18	0.21	432398
28-Jun-05	0.21	0.21	0.21	0.21	6200
1-Jul-05	0.2	0.2	0.19	0.19	12500
5-Jul-05	0.2	0.2	0.2	0.2	5000
6-Jul-05	0.2	0.2	0.2	0.2	10000
13-Jul-05	0.195	0.195	0.19	0.19	58500
15-Jul-05	0.18	0.21	0.18	0.205	309000
18-Jul-05	0.2	0.205	0.19	0.19	99800
19-Jul-05	0.2	0.205	0.195	0.195	175800
21-Jul-05	0.195	0.205	0.195	0.205	16200
22-Jul-05	0.19	0.19	0.19	0.19	37500
25-Jul-05	0.185	0.185	0.185	0.185	45000
26-Jul-05	0.19	0.19	0.19	0.19	14000
28-Jul-05	0.185	0.205	0.185	0.205	13000

Date	Open	High	Low	Close	Volume
4-Aug-05	0.185	0.185	0.185	0.185	50000
9-Aug-05	0.185	0.185	0.185	0.185	24000
10-Aug-05	0.18	0.2	0.18	0.2	232199
11-Aug-05	0.185	0.2	0.185	0.2	169114
12-Aug-05	0.205	0.205	0.2	0.2	221000
15-Aug-05	0.205	0.205	0.195	0.195	11000
16-Aug-05	0.2	0.205	0.2	0.205	35000
17-Aug-05	0.195	0.2	0.195	0.2	45000
18-Aug-05	0.2	0.205	0.195	0.205	60000
19-Aug-05	0.195	0.195	0.19	0.19	142450
23-Aug-05	0.19	0.19	0.18	0.18	20000
24-Aug-05	0.18	0.18	0.18	0.18	20000
5-Sep-05	0.18	0.18	0.18	0.18	25000
7-Sep-05	0.2	0.2	0.2	0.2	3550
8-Sep-05	0.19	0.19	0.19	0.19	10000
22-Sep-05	0.19	0.19	0.19	0.19	13000
23-Sep-05	0.19	0.2	0.19	0.2	33450
26-Sep-05	0.2	0.2	0.2	0.2	15000
27-Sep-05	0.2	0.2	0.195	0.195	137500
29-Sep-05	0.195	0.195	0.195	0.195	46000
30-Sep-05	0.2	0.2	0.2	0.2	20000
3-Oct-05	0.2	0.2	0.2	0.2	11500
5-Oct-05	0.2	0.2	0.195	0.195	16000
6-Oct-05	0.195	0.195	0.195	0.195	10000
11-Oct-05	0.195	0.195	0.185	0.185	14000
14-Oct-05	0.23	0.25	0.21	0.22	383300
17-Oct-05	0.21	0.21	0.2	0.2	200000
18-Oct-05	0.2	0.205	0.19	0.205	141750
19-Oct-05	0.21	0.21	0.2	0.2	30250

KALGOORLIE-BOULDER RESOURCES LIMITED
ACN 106 732 487

PROXY FORM

The Company Secretary
Kalgoorlie-Boulder Resources Ltd
Postal Address: Kalgoorlie-Boulder Resources Ltd
PO Box 312, Northbridge WA 6003
Facsimile: +61 8 9228 8685
Email: admin@kbrl.com.au

I/We (name of shareholder) _____

of (address) _____

being a member/members of Kalgoorlie-Boulder Resources Ltd hereby appoint:

(name) _____

of (address) _____

and/or failing him/her (name) _____

of (address) _____

or failing that person then the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 30 November 2005 and at any adjournment of the meeting.

Should you so desire to direct the proxy how to vote, you should place a cross in the appropriate boxes below:

I/We direct my/our Proxy to vote in the following manner:

	For	Against	Abstain
Resolution 1 – Non Binding adoption of Remuneration Report	☐	☐	☐
Resolution 2 – Re-Election of Mr David Prentice as a Director	☐	☐	☐
Resolution 3 – Approval of Share and Option Placement	☐	☐	☐
Resolution 4 – Approval of Grant of Options to Delta Securities	☐	☐	☐
Resolution 5 – Grant of Options to Mr Trevor Matthews	☐	☐	☐
Resolution 6 – Grant of Options to Mr David Prentice	☐	☐	☐
Resolution 7 – Grant of Options to Mr Kenneth Allen	☐	☐	☐
Resolution 8 – Grant of Options to Mr John Coles	☐	☐	☐
Resolution 9 – Grant of Options to Mr Mark Sampson	☐	☐	☐
Resolution 10 – Grant of Options to Mr Lindsay Cahill	☐	☐	☐

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

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the Resolutions and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote in favour of all resolutions in relation to undirected proxies.

*This Proxy is appointed to represent _____% of my voting right, or if 2 proxies are appointed
Proxy 1 represents _____% and Proxy 2 represents _____% of my/our total votes.
My/Our total voting right is _____ shares.*

If the shareholder is an individual or joint holder:

Signature: _____ Signature: _____

If the shareholder is a company:

Affix common seal (if required by Constitution)

Director/Sole Director and Secretary

Director/Secretary

Dated ____/____/2005

INTSRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and to cast two or more votes is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by each of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting by post, facsimile or email to the address stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) if the proxy is Chairman, the proxy must vote on a poll and must vote that way; and
 - (d) if the proxy is not the Chairman, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.
7. If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.
8. The Chairman intends to vote all undirected proxies in favour of all resolutions.