
MINERAL COMMODITIES LTD**ACN 008 478 653****NOTICE OF GENERAL MEETING**

TIME: 11.00am (WST)

DATE: 21 December 2012

PLACE: BDO Kendalls
38 Station Street
SUBIACO WA 6008

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) +61 8 9253 1100.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00am WST on 21 December 2012 at:

BDO Kendalls
38 Station Street
SUBIACO WA 6008

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (WST) on 19 December 2012.

VOTING IN PERSON

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

VOTING BY PROXY

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

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

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

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

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

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – ISSUE OF TRANCHE 2 PLACEMENT SHARES TO RELATED PARTY – ZBH

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 40,000,000 Shares to ZBH (or its nominee) on the terms and conditions set out in the Explanatory Statement."

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

2. RESOLUTION 2 – ISSUE OF TRANCHE 3 PLACEMENT SHARES

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

"That, subject to the passing of Resolution 1, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 9,937,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – ELECTION OF DIRECTOR – MR GUY WALKER

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

"That, for the purpose of clause 35(h) of the Constitution and for all other purposes, Mr Guy Walker, being eligible, is elected as a Director."

4. RESOLUTION 4 – ELECTION OF DIRECTOR – MR JAMES LEAHY

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

"That, for the purpose of clause 35(h) of the Constitution and for all other purposes, Mr James Leahy, being eligible, is elected as a Director."

5. RESOLUTION 5 – ISSUE OF OPTIONS TO RELATED PARTY – MR MARK CARUSO

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

“That, for the purposes of section 195(4) of the Corporations Act ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 1,000,000 Options to Mr Mark Caruso (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

Voting Prohibition Statement:

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

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

However, the above prohibition does not apply if:

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

6. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY - MR PETER TORRE

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

“That, for the purposes of section 195(4) of the Corporations Act ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 1,000,000 Options to Mr Peter Torre (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

Voting Prohibition Statement:

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

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

However, the above prohibition does not apply if:

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

7. RESOLUTION 7 – ISSUE OF OPTIONS TO RELATED PARTY – MR JOSEPH CARUSO

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

"That, for the purposes of section 195(4) of the Corporations Act ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 1,000,000 Options to Mr Joseph Caruso (or his nominee) on the terms and conditions set out in the Explanatory Statement."

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

Voting Prohibition Statement:

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

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

However, the above prohibition does not apply if:

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

8. RESOLUTION 8 – ISSUE OF OPTIONS TO RELATED PARTY – MR GUY WALKER

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

"That, subject to the passing of Resolution 3, for the purposes of section 195(4) of the Corporations Act ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 1,000,000 Options to Mr Guy Walker (or his nominee) on the terms and conditions set out in the Explanatory Statement."

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

Voting Prohibition Statement:

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

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

However, the above prohibition does not apply if:

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

9. RESOLUTION 9 – ISSUE OF OPTIONS TO RELATED PARTY – MR JAMES LEAHY

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

"That, subject to the passing of Resolution 4, for the purposes of section 195(4) of the Corporations Act ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue 1,000,000 Options to Mr James Leahy (or his nominee) on the terms and conditions set out in the Explanatory Statement."

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

Voting Prohibition Statement:

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

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or

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

However, the above prohibition does not apply if:

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

DATED: 12 NOVEMBER 2012

BY ORDER OF THE BOARD



PETER TORRE
COMPANY SECRETARY AND DIRECTOR

EXPLANATORY STATEMENT

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

1. RESOLUTION 1 – ISSUE OF TRANCHE 2 PLACEMENT SHARES TO RELATED PARTY – ZBH

1.1 Capital Raising

As announced on 24 October 2012, the Company successfully completed a book build for a placement of new Shares to institutional and sophisticated investors and related parties, raising approximately \$14.5 million (before costs) (**Capital Raising**).

The Company intends to use the net proceeds from the Capital Raising to immediately commence development of its Tormin Sands Project and to repay the short term bridging facility provided by ZBH and announced by the Company on 16 May 2012.

The Capital Raising is to be completed in three tranches. The first tranche of up to approximately A\$10.25 million to institutional and sophisticated investors was completed on 31 October 2012. The second tranche of approximately A\$3.4 million is proposed to be issued to ZBH (**Tranche 2 Placement**). The third tranche will be issued by way of a private placement of approximately \$850,000 to a sophisticated investor (**Tranche 3 Placement**).

On 31 October 2012, 120,615,000 Shares were issued to professional and sophisticated investors in accordance with the first tranche of the Capital Raising.

Resolution 1 seeks shareholder approval allot and issue 40,000,000 Shares (**Related Party Shares**) to ZBH (or its nominee) being the Tranche 2 Placement of the Capital Raising on the terms and conditions set out below (**Participation**).

1.2 Chapter 2E of the Corporations Act

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

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

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

The Participation will result in the issue of the Related Party Shares which constitutes giving a financial benefit and ZBH is a related party of the Company by virtue of Messrs Mark and Joseph Caruso being directors of both ZBH and the Company.

The Directors (other than Messrs Mark and Joseph Caruso who have a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the

Participation because the Shares will be issued to ZBH on the same terms as Shares issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

1.3 ASX Listing Rule 10.11

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

As the Participation involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors (other than Messrs Mark and Joseph Caruso who have a material personal interest in the Resolution) that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances and accordingly, Shareholder approval is sought.

1.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares will be allotted and issued to ZBH (or its nominee);
- (b) the maximum number of Shares to be issued is 40,000,000;
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (d) the issue price will be \$0.085 per Share, being the same as all other Shares issued under the Capital Raising;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in section 1.1 of the Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to ZBH (or its nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

2. RESOLUTION 2 – ISSUE OF TRANCHE 3 PLACEMENT SHARES

2.1 General

Resolution 2 seeks Shareholder approval for the allotment and issue of up to 9,937,000 Shares at an issue price of \$0.085 per Share to raise up to \$844,645 in accordance with the Tranche 3 Placement.

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

The effect of Resolution 2 will be to allow the Company to issue the Shares pursuant to the Tranche 3 Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 3 Placement:

- (a) the maximum number of Shares to be issued is 9,937,000;
- (b) the Shares will be issued after the Tranche 2 Placement shares are issued and allotted, and no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules), and it is intended that allotment will occur on the same date;
- (c) the issue price will be \$0.085 per Share;
- (d) the Shares will be allotted and issued to AU Mining Limited who is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in section 1.1 of the Explanatory Statement.

2.3 Conditionality of Resolutions

Resolution 2 is conditional on Resolution 1. This means that Resolution 1 must be passed for the approval sought in Resolution 2 to be effective.

3. RESOLUTIONS 3 & 4 – ELECTION OF DIRECTORS – GUY WALKER AND JAMES LEAHY

Pursuant to clause 35(h)(2) of the Company's Constitution a person may be appointed to the office of director at a general meeting provided certain criteria is satisfied including that the person has been nominated by the directors for election at that meeting.

The Directors propose to nominate Guy Walker and James Leahy for election at the meeting.

Guy Walker

Non executive director.

Mr Walker has over 20 years financial markets experience as a director and senior investment management executive. Mr Walker currently sits on the boards of several companies including Metals Exploration plc; an AIM listed gold development company; Navigator Resources an ASX listed gold production

company and ENK plc, a Nickel mining company. Mr Walker is a former Fund Manager and Chief Operating Officer of Talisman Global Asset Management Limited and former Group Treasurer of the William Pears Group. Mr Walker joined Talisman in March 2000 and held the positions of Fund Manager and Chief Operating Officer until April 2006. During this period he supervised the growth of Talisman from its infancy to a fully registered UK FSA investment management company with over £500 million under management. As Group Treasurer for over six years of the William Pears Group, a multi-billion pound company, he was responsible for the group's treasury function, arranging company financing and negotiating banking facilities. Mr Walker has extensive experience in corporate finance including risk reduction through hedging.

Guy Walker is a nominee of AU Mining Limited who has a current interest of 19.9% and after the completion of the proposed issues, the subject of Resolution 1 and 2 of this Notice, is expected to have an interest of not more than 19.9% (assuming no options to acquire Shares are exercised and shares are issued).

Mr Guy Walker, being eligible, seeks election in accordance with clause 35(h) of the Constitution.

James Leahy

Non executive director.

Following a stint on the London Metal Exchange, Mr Leahy has spent the past 27 years in the mining industry as a specialist corporate broker, including mining finance, origination and equity sales. He has worked on a wide range of projects, worldwide, ranging from industrial minerals, precious metals, copper, diamonds, coal, uranium and iron ore. Mr Leahy has substantial experience with international institutional fund managers, hedge funds and sector specialists. Over the years Mr Leahy has been involved in more than 30 IPO's and a large number of primary and secondary placings, developing junior companies through to production and beyond. Mr Leahy is currently a director of Continental Coal, Bacanora Minerals and Forte Energy.

Mr James Leahy, being eligible, seeks election in accordance with clause 35(h) of the Constitution.

4. RESOLUTIONS 5, 6, 7, 8 AND 9 – ISSUE OF OPTIONS TO RELATED PARTIES

4.1 General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue 5,000,000 Options (**Related Party Options**) to each of the Directors and Proposed Directors of the Company (or their respective nominees) on the terms and conditions set out below.

Resolutions 5, 6, 7, 8, and 9 seek Shareholder approval for the grant of the Related Party Options to the Directors and Proposed Directors of the Company (or their respective nominees).

4.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in section 1.2 of the Explanatory Statement.

The grant of Related Party Options constitutes giving a financial benefit and Mr Mark Caruso, Mr Joseph Caruso and Mr Peter Torre are each a related party of the Company by virtue of being a Director.

Mr James Leahy and Guy Walker are each a related party of the Company by virtue of being a Proposed Director of the Company as contemplated by Resolutions 3 and 4 of this Notice.

The Directors (other than Mr Mark Caruso who has a material personal interest in the Resolution 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options the subject of Resolution 5 because the agreement to grant the Related Party Options, reached as part of the remuneration package for Mr Mark Caruso, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

The Directors (other than Mr Peter Torre who has a material personal interest in the Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options the subject of Resolution 6 because the agreement to grant the Related Party Options, reached as part of the remuneration package for Mr Peter Torre, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

The Directors (other than Mr Joseph Caruso who has a material personal interest in the Resolution 7) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options the subject of Resolution 7 because the agreement to grant the Related Party Options, reached as part of the remuneration package for Mr Joseph Caruso, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options to Mr Guy Walker (pursuant to Resolution 8) and Mr James Leahy (pursuant to Resolution 9) because the agreement to grant the Related Party Options, reached as part of the remuneration package for Mr Guy Walker and Mr James Leahy, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

4.3 ASX Listing Rule 10.11

A summary of ASX Listing Rule 10.11 is set out in section 1.3 of the Explanatory Statement.

As the grant of the Related Party Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

4.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 5, 6, 7, 8 and 9:

- (a) 1,000,000 Related Party Options will be granted to each of the Directors and Proposed Directors;

- (b) the total number of Related Party Options to be issued is 5,000,000;
- (c) the Related Party Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (d) the Related Party Options will be issued for nil cash consideration, accordingly no funds will be raised; and
- (e) the terms and conditions of the Related Party Options are set out in Schedule 1.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Options to the Directors and Proposed Directors of the Company (or their respective nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

4.5 Conditionality of Resolutions

Resolution 8 is conditional on Resolution 3 and Resolution 9 is conditional on Resolution 4. This means that Resolutions 3 and 4 respectively must be passed for the approval sought in Resolutions 8 and 9 to be effective.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Capital Raising has the meaning given to that term in section 1.1 of the Explanatory Statement.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Mineral Commodities Ltd (ACN 008 478 653).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

Option means an option to acquire a Share with the terms and conditions set out in Schedule 1.

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

Participation has the meaning given to that term in section 1.1 of the Explanatory Statement.

Proposed Directors means each of Mr Guy Walker and Mr James Leahy which are proposed to be appointed pursuant to Resolutions 3 and 4 of this Notice respectively.

Proxy Form means the proxy form accompanying the Notice.

Related Party Option means an Option granted pursuant to Resolutions 5, 6, 7, 8, 9 and 10 with the terms and conditions set out in Schedule 1.

Related Party Shares has the meaning given to that term in section 1.1 of the Explanatory Statement.

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

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

Shareholder means a holder of a Share.

Tranche 2 Placement has the meaning given to that term in section 1.1 of the Explanatory Statement.

Tranche 3 Placement has the meaning given to that term in section 1.1 of the Explanatory Statement.

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

ZBH means Zurich Bay Holdings Pty Ltd (ACN 009 422 093).

SCHEDULE 1 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 31 December 2015 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on and from the earlier of:

- (a) the date which is 12 months from the date of issue of the Options; and
- (b) the date on which the 5-day average market (closing) price of Shares after the date of issue of the Options is at least \$0.20,
- (c) until the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section

708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

