
MERAH RESOURCES LIMITED**ACN 146 035 127****NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY
MEMORANDUM**

TIME OF MEETING: 12:00 noon WST

DATE OF MEETING: Friday 30 November 2012

PLACE OF MEETING: Merah Resources Limited
Level 2, 79 Hay Street
Subiaco, Western Australia

This Notice of Annual 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 professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on (08) 9200 4436.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the shareholders convened by this Notice of Meeting relates to will be held at **12:00 noon WST on Friday, 30 November 2012 at the registered office of Merah Resources Limited, Level 2, 79 Hay Street, Subiaco, Western Australia.**

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

To vote in person, attend the Annual 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:

- (a) deliver the Proxy Form to the Company's registered office at Level 2, 79 Hay Street, Subiaco, Western Australia 6008;
- (b) send the Proxy Form by post to Merah Resources Limited, PO Box 1424, West Perth, Western Australia 6872; or
- (c) send the Proxy Form by facsimile to the Company on facsimile number (08) 9200 4437,

so that it is received by the Company not later than 12:00 noon WST on Wednesday, 28 November 2012.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at the registered office of **Merah Resources Limited, Level 2, 79 Hay Street, Subiaco, Western Australia at 12:00 noon WST on Friday, 30 November 2012.**

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at the close of business on Wednesday 28 November 2012.

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

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the 2012 Financial Report together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report thereon.

Resolution 1 – Adoption of Remuneration Report

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

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

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **Voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the Voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

Resolution 2 – Approval of 10% Placement Capacity

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

“That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement: *The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue of Equity Securities under this Resolution 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:*

- (a) 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*
- (b) it is cast by the Chair 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 3 – Election of Mr Ian Prentice

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

“That, Mr Ian Prentice, who retires in accordance with the Constitution and, being willing and eligible for election, is hereby elected as a Director.”

Other Business

To deal with any business that may be lawfully brought forward.

DATED: 19 OCTOBER 2012

BY ORDER OF THE BOARD



**SUZIE FOREMAN
COMPANY SECRETARY
MERAH RESOURCES LIMITED**

IMPORTANT INFORMATION

Attendance and Voting Eligibility

For the purpose of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that Shares held at 12:00 noon WST on Wednesday, 28 November 2012 will be taken, for the purposes of this Annual General Meeting, to be held by the persons who held them at that time. Accordingly, these persons are entitled to attend and vote (if not excluded) at the Meeting.

Proxies

A Shareholder who is entitled to attend and vote at the Meeting has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
- provides the Company with satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

If such evidence is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as proxy.

A Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. Fractions will be disregarded.

A Proxy Form accompanies this Notice and to be effective the Proxy Form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company no later than 48 hours before the commencement of the Meeting, at:

- the Company's registered office, Level 2, 79 Hay Street, Subiaco, Western Australia 6008; or
- by facsimile to the Company on facsimile number (08) 9200 4437; or
- by post to Merah Resources Limited, PO Box 1424, West Perth, Western Australia 6872.

Any Proxy Form received after that time will not be valid for the Meeting.

Proxies given by corporate Shareholders must be executed in accordance with their constitutions, or signed by a duly authorised attorney. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Corporations

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to, the Company before the commencement of the Meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at the Company's registered office at **Level 2, 79 Hay Street, Subiaco, Western Australia at 12:00 noon WST on Friday, 30 November 2012.**

The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include the receipt and consideration of the 2012 Financial Report together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the 2012 Financial Report to Shareholders unless specifically requested to do so. The 2012 Financial Report is available on the Company's website at www.merahresources.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING VOTE)

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Board or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the 2012 Financial Report.

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

2.2 Voting consequences

Under changes to the Corporations Act that came into effect on 1 July 2011, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, a company will be required to put to its shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the company must convene the general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

At the time of the Company's previous annual general meeting, the Company was not admitted to the official list of the ASX. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.3 Proxy Restrictions

Shareholders (who are not a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of that member) appointing a proxy for Resolution 1 should note the following:

If you appoint a member of the Key Management Personnel as your proxy

If you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, **you must direct the proxy how they are to vote**. Undirected proxies granted to these persons will not be included in any vote on Resolution 1.

If you appoint the Chair as your proxy

If you elect to appoint the Chair as your proxy, you **do not** need to direct the Chair how you wish them to exercise your vote on Resolution 1, however if you do not direct the Chair how to vote, **you must mark the acknowledgement on the Proxy Form that the Chair may exercise his or her discretion in exercising your proxy even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for that entity**. The Chair intends to vote all available proxies in favour of Resolution 1.

If you appoint any other person as your proxy

You **do not** need to direct your proxy how to vote and you **do not** need to mark the acknowledgement on the Proxy Form.

3. RESOLUTION 2 – APPROVAL OF 10% PLACEMENT CAPACITY

3.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting if the Equity Securities are in an existing quoted class of the Company's securities (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

The Company is an Eligible Entity.

If Shareholders approve Resolution 2, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 3.2 below).

The effect of Resolution 2 will be to allow the Directors to issue Equity Securities up to 10% of the Shares on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without having to obtain Shareholder approval and without using the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

Resolution 2 is a special resolution. Accordingly 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 2 for it to be passed.

3.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

The Company is an Eligible Entity (see the Glossary for a definition of that term).

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of Equity Securities on issue that are quoted, being the Shares.

The exact number of Equity Securities that the Company may issue under an approval under ASX Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rule 7.1 or 7.4, not including issued fully paid shares under the Company's 15% capacity without shareholder approval; and
 - (d) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under ASX Listing Rule 7.1 or 7.4.

3.3 Information required by ASX Listing Rule 7.1A

Under ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 2:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 3.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

(c) **Risk of economic and voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 2 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice assuming the full 10% dilution.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.125 (50% decrease in issue price)	\$0.25 (Issue price)	\$0.50 (100% increase in issue price)
26,495,001 (Current)	Shares issued	2,649,500 Shares	2,649,500 Shares	2,649,500 Shares
	Funds Raised	\$331,188	\$662,375	\$1,324,750
39,742,501 (50% increase)*	Shares issued	3,974,250 Shares	3,974,250 Shares	3,974,250 Shares
	Funds Raised	\$496,781	\$993,563	\$1,987,125
52,990,002 (100% increase)*	Shares issued	5,299,000 Shares	5,299,000 Shares	5,299,000 Shares
	Funds Raised	\$662,375	\$1,324,750	\$2,649,500

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as

under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions:

1. The current Shares on issue are as at the date of the Notice.
2. The issue price set out above is the closing price of the Shares on the date of the Notice.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity hence the voting dilution is shown in each example as 10%.
4. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own Shareholding depending on their specific circumstances, and if necessary seek advice from their professional advisers.
5. No unlisted options or performance rights of the Company are exercised into Shares before the date of issue of the Equity Securities.
6. The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, and not dilution under the 15% placement capacity under ASX Listing Rule 7.1, under ASX Listing Rule 7.2, or Shareholder approvals under ASX Listing Rule 7.1.
7. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes listed options, it is assumed that those listed options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

Shareholders should note that there is a risk that:

- (i) the market price for the Equity Securities to be issued may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the date of issue.

Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on expansion of the forecasted work programs on the Company's existing Mt Adamson, McAuley and Bounty projects, and general working capital associated with the maintenance of an ASX listed company and operational expenditure or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity

Securities will be current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Previous Approval under ASX Listing Rule 7.1A

The Company has not previously obtained approval under ASX Listing Rule 7.1A.

3.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder or security holder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 2.

3.5 Directors' Recommendation

The Directors consider that the approval of the issue of the 10% Placement Capacity described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under ASX Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required. At the date of the Notice, the Company has no plans to use the 10% Placement Capacity should it be approved. Accordingly the Directors recommend that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – ELECTION OF MR IAN PRENTICE

Clause 11.3 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided that no Director (except a Managing Director) shall hold office for a period in excess of three years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

Any Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election.

Mr Prentice retires by rotation in accordance with the Constitution and, being willing and eligible for election, seeks election.

The profile of Mr Ian Prentice is set out in the 2012 Financial Report.

4.1 Directors' Recommendation

The Directors (other than Mr Ian Prentice) recommend that Shareholders vote in favour of Resolution 3.

GLOSSARY

In the Notice of Meeting and the Proxy Form the following terms have the following meanings unless the context otherwise requires:

2012 Financial Report means the Company's financial report for the financial year ended 30 June 2012, which can be downloaded from the Company's website at www.merahresources.com.au

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 3.1 of this Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the market operated by it, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Board means the board of Directors.

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.

Chair means the chairperson 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 Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) that may be made for this purpose.

Company or **Merah** means Merah Resources Limited (ACN 146 035 127).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant Annual General Meeting:

- a) is not included in the S&P/ASX 300 Index; and

b) has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) not exceeding \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an equity security.

Explanatory Memorandum means the explanatory memorandum which is attached to, and forms part of, the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

Notice means the notice of meeting accompanying, and which includes, this Explanatory Memorandum.

Option means an option to acquire a Share (issued or unissued).

Proxy Form means the proxy form attached to the Notice.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Related Party has the meaning given to that term in the Corporations Act.

Remuneration Report means that section of the Directors' report under the heading "Remuneration Report" set out in the 2012 Financial Report.

Resolution means a resolution contained in this Notice.

Section means a section of the Explanatory Memorandum.

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

Shareholder means the holder of a Share.

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

Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning

PROXY FORM

**APPOINTMENT OF PROXY
MERAH RESOURCES LIMITED
ABN 21 146 035 127
PO BOX 1424
WEST PERTH WA 6872
RETURN FAX: + 61 (8) 9200 4437**

ANNUAL GENERAL MEETING

I/We

of

being a member of Merah Resources Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR the Chair as your proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, 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 Annual General Meeting to be held at **12:00 noon (WST) on Friday, 30 November, 2012 at the registered office of Merah Resources Limited, Level 2, 79 Hay Street, Subiaco, Western Australia**, and at any adjournment thereof.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr Ian Prentice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 or number of voting rights this proxy represents is _____

Important for Resolution 1

If you have not directed your proxy how to vote as your proxy in respect of Resolution 1 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolution 1 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 1.

I/we acknowledge that the Chair intends to vote all available proxies in favour of each of Resolutions 1, 2 and 3.

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): _____

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Annual 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 or number of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion or number, each proxy may exercise half the votes. Fractions will be disregarded. 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 subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Proxy Voting):** Sections 250BB and 250BC of the Corporations Act broadly provide 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 are 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 – 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).

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.

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; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:

- o the proxy is not recorded as attending the meeting;
- o the proxy does not vote on the resolution,

the Chair 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.

4. **(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. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate "Appointment of a Corporate Representative" evidencing the appointment may be obtained from the Company's share registry or online at www.securitytransfer.com.au under the information tab, "Download Forms".

5. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual 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 Annual General Meeting.

6. **(Return of Proxy Form):** To vote by proxy, please complete and sign the Proxy Form enclosed and either:

- (a) deliver the proxy form by hand to the Company's registered office at Level 2, 79 Hay Street, Subiaco, Western Australia 6008;
- (b) send the proxy form by post to Merah Resources Limited, PO Box 1424, West Perth, Western Australia 6872; or
- (c) send the proxy form by facsimile to the Company on facsimile number (08) 9200 4437,

so that it is received not later than 12:00 noon WST on Wednesday, 28 November 2012.

Proxy forms received later than this time will be invalid.