MARGINBET LIMITED
(to be renamed Fortuna Minerals Limited)
ACN 112 425 788

NOTICE OF GENERAL MEETING

TIME: 9.00 am (WST)

DATE: 28 March 2008

PLACE: Exchange Plaza
Level 8 Conference Room
2 The Esplanade
Perth WA 6000

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) 9223 9894.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9.00 am (WST) on 28 March 2008 at:

Exchange Plaza
Level 8 Conference Room
2 The Esplanade
Perth WA 6000

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

(a) post to Marginbet Limited, PO Box Z5223, St Georges Terrace, Perth WA 6831; or

(b) facsimile to the Company on facsimile number (+61 8) 9221 5107,

so that it is received not later than 9.00 am (WST) on 26 March 2008.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 9.00 am (WST) on 28 March 2008 at Exchange Plaza, Level 8 Conference Room, 2 The Esplanade, Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement 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 General Meeting are those who are registered Shareholders of the Company at 9.00 am (WST) on 26 March 2008.

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

AGENDA

1. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

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

> *"That, for the purpose of ASX Listing Rule 11.2 and for all other purposes, approval is given for the Company to dispose of Portlandbet Pty Ltd (a wholly owned subsidiary of the Company and the legal owner of the existing business of the Company) 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 obtain a benefit, except a benefit solely in the capacity of a security holder, if this Resolution is passed and any associates of those persons.

2. RESOLUTION 2 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

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

> *"That, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities as described set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if this Resolution is passed and any associates of those persons.

3. RESOLUTION 3 – CHANGE OF COMPANY NAME

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

> *"That, for the purpose of Section 157(1) of the Corporations Act and for all other purposes, approval is given for the Company to change its name to Fortuna Minerals Limited."*

4. RESOLUTION 4 – CONSOLIDATION OF CAPITAL

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

> *"That, for the purpose of Section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:*
>
> *(a) every five (5) Shares be consolidated into one (1) Share; and*
>
> *(b) every five (5) Options be consolidated into one (1) Option,*
>
> *and otherwise on the terms and conditions set out in the Explanatory Statement."*

5. RESOLUTION 5 – PLACEMENT

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

> *"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 15,000,000 Shares and up to 7,500,000 Placement Options (both on a post-Consolidation basis) 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, and any associates of those persons.

6. RESOLUTION 6 – ISSUE OF DIRECTOR OPTIONS – MATHEW WALKER

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

> *"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 5,000,000 Director Options (on a post-Consolidation basis) to Mathew Walker (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mathew Walker (or his nominee) or any of his associates.

7. RESOLUTION 7 – ISSUE OF DIRECTOR OPTIONS – GARRY RALSTON

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

> *"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 2,000,000 Director Options (on a post-Consolidation basis) to Garry Ralston (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Garry Ralston (or his nominee) or any of his associates.

8. RESOLUTION 8 – ISSUE OF DIRECTOR OPTIONS – MICHAEL SHIELDS

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

> *"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 2,000,000 Director Options (on a post-Consolidation basis) to Michael Shields (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Michael Shields (or his nominee) or any of his associates.

DATED: 15 FEBRUARY 2008

BY ORDER OF THE BOARD

MATHEW WALKER
MARGINBET LIMITED
DIRECTOR/COMPANY SECRETARY

Voting Exclusion Note:

Where a voting exclusion applies, 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.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 9.00 am (WST) on 28 March 2008 at Exchange Plaza, Level 8 Conference Room, 2 The Esplanade, Perth, Western Australia.

This purpose of this Explanatory Statement 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. BACKGROUND

1.1 Company

On 19 September 2007 the Company was admitted to the official list of ASX. Following the Company's listing on ASX it was able to expand its operations and its turnover increased significantly.

However, at the annual general meeting of the Company held on 27 November 2007, then Chairman, Mr John Levy, addressed Shareholders (an outline of which was released following the meeting) to note that the performance of the business had been significantly below expectation.

In particular, the average margins obtained from sports bet clients had been significantly below projections (and well below industry averages). As a result the Company appointed an independent consultant to review the operation of the business and to provide a report to the Board as to the viability of the business and recommendations as to possible restructures.

On 3 December 2007 the Company announced on ASX that it had received the report on the business from the independent consultant and on the basis of the findings within that report the Board had resolved to focus its activities solely within the mining sector. Accordingly, the approval of Shareholders is sought to enable the Company to do so.

1.2 Disposal of Portlandbet Pty Ltd

On 29 January 2008 the Company announced it had entered into a binding sale agreement for the disposal of its wholly owned subsidiary Portlandbet Pty Ltd (**Portlandbet**), which is the legal owner of the Company's existing business (**Sale Agreement**).

Consideration payable under the Sale Agreement is $55,000 cash, plus an additional $250,000 being an amount equivalent to the bond paid by the Company to the ACT Gaming and Racing Commission.

Pursuant to the terms of the Sale Agreement, the purchaser will assume all operating expenses and liabilities, effective from the execution date of the Sale Agreement (being 29 January 2008). The disposal of Portlandbet ensures that the Company is not exposed to any further losses from the existing business.

The sale is conditional on shareholder and regulatory approvals.

1.3 Acquisition of Christmas Bore Project

As a consequence of the findings in the report prepared by the independent consultant (referred to above) the Company resolved to explore other opportunities in the resources industry. To this end, the Board resolved to enter into a farm in agreement with Cazaly Resources Limited (**Cazaly**) under which the Company will farm in to two prospects in the Christmas Bore Project (**Farm-in Agreement**).

The Company has the right to earn a 75% joint venture interest from Cazaly by undertaking no less than 2,000 metres of RAB drilling within 3 years of the date of entering into the farm in agreement.

The farm in agreement is subject to the following conditions precedent:

(a) the parties entering into a formal agreement;

(b) the Company paying to Cazaly a non-refundable deposit of $25,000 cash on or before 6 December 2007. This amount was paid by the Company on 5 December 2007;

(c) the Company confirming to Cazaly it is satisfied with the results of its due diligence investigations on or before 6 December 2007. The Company satisfied this condition precedent on 6 December 2007;

(d) the parties obtaining all necessary governmental, regulatory and other consents and approvals to the transaction; and

(e) the Company obtaining all necessary regulatory and shareholder approvals.

1.4 Summary of Christmas Bore Project

The Christmas Bore Project comprises two prospecting licenses P37/6760 and P37/6761 which cover a total area of 400 Ha over the Clover Downs and Minara Pastoral Leases. Each prospecting license covers 200 Ha and was granted to Cazaly Resources Limited on 22nd of July 2005.

The Christmas Bore Project is located approximately 23km from the sealed Leonora – Laverton road and then via station tracks which runs north for 8 kilometres to Allan Well, and then an additional distance of 10km in a north-easterly direction to Triggs Well. The project area is located immediately to the northeast in the Cardinia Hill area. Access can also be obtained by the Leonora-Nambi Road then via station tracks from the Gambier Lass workings.

The project area is covered by low to moderate relief typical of the north-eastern Goldfields region with intermittent creeks and sheet wash.

The area is semi arid and has only sporadic moderate rainfall during the winter period. Occasional summer thunderstorms are restricted to cyclone activity from the north and northeast areas of Western Australia. Vegetation consists of low lying scrub (acacia, mulga) with a larger eucalyptus trees restricted to major drainage areas.

Historic gold mining activity as part of the Mount Malcolm mineral field, has been recorded back to the 1980's and continued intermittently to the early 1960's. Mining activity was concentrated in areas of high grade gold with minor alluvial production.

Regional Geology

The Project Area is located in the central part of the Minerie Terrane (Van der Hor and Witt 1992) of the Eastern Goldfields Province. The western boundary of the Minerie Terrane is marked by the Keith-Kilkenny Tectonic zone, which is a craton scale NNW trending tectonic lineament. Gold mineralisation is controlled by north to northwest trending D2/D3 shear zones which form second order splays to the Keith-Kilkenny zone.

The region is dominated by mafic volcanics, meta-sediments and lesser intermediate and felsic rocks on the western limb of the Benalla Anticline. Aeromagnetic interpretations suggest the limbs and nose of the Benalla Anticline are disrupted by northwest to north-northwest trending parallel faults and associated large and small scale folds. Local stratigraphic reversals tend to be caused by 10m to 100m scale, tight to isoclinal folds with their axes parallel to the south-southeast trending Benalla Anticline. The sediments appear to have been deposited in elongate possibly fault-related graben like structures.

The rocks are generally greenschist metamorphic grade and commonly show regional scale carbonate alteration as a result of metamorphism.

Project Geology

The geology of the Christmas Bore area is constrained by two fault zones which run sub-parallel to each other. The Mertondale Shear trends in a NNE direction and converges with the Christmas Well fault in the west, which trends in a NNW direction. Felsic volcanic rocks of predominantly dacite with lesser intermediate volcanics dominate the western Project Area, while basalts dominate the eastern Project Area. A granodiorite intrusives lies between the two dominant units. Lithologies trend sub-parallel to the axis of the Benalla Anticline.

Outcrop in the Project Area is generally poor and bedrock is commonly overlain by recent transported sediments.

Mineralisation

This Project is considered prospective for shear hosted gold mineralisation in close proximity to contrasting lithological boundaries.

Minor small scale historical mining and prospecting has occurred at the Christmas Well Prospect within the excised portion of P37/6761. No production figures are available.

Previous Exploration

Most previous exploration work was completed by the Newmex Exploration and Gold and Mineral Exploration N.L Joint Venture (1987-1990). The Mertondale Project Joint Venture covered P37/6761 and partially P37/6760. Exploration involved mapping, stream geochemistry and RAB drilling.

Two stream geochemical anomalies were found on the western side of P37/6761 coincidental with the interpreted position of the Christmas Well Fault as well as south of the tenement boundary on the Mertondale Shear.

Close spaced reconnaissance RAB drilling (10-20m centres on 100m to 1,000m spaced lines) returned anomalous arsenic values from the southern portion of P37/6761, believed to be associated with the Mertondale Shear. No significant gold intersections were returned from within P37/6761.

No significant drill intersections were recorded on the Christmas Well Fault, although testing was not as rigorous as that on the Mertondale Shear.

The Project was later joint ventured to Harbour Lights Mining during 1989 – 1990 (Butcher Bore Project) with limited further exploration and minimal success. No substantial exploration has been conducted on the tenement since.

Current Exploration

Cazaly Resources conducted soil geochemical sampling in early July 2007. A total of 121 soil samples were collected on a nominal 400m x 50m grid. Sixty four samples were taken on P37/6760 and fifty seven on P37/6761 amounting to five E-W lines across the tenements.

Further work is warranted to determine the origins and extents of the soil anomalism in P37/6761 requiring either infill soil geochemistry or limited RAB drilling.

Potential Targets

The Mertondale Shear located within P37/6761 is a priority target. Previous drilling has identified gold and arsenic anomalism and this work requires review to determine its effectiveness and potential follow-up. The arcuate geometry of the shear in this location is relatively unique and also presents a potentially attractive structural target.

The Christmas Fault appears to be a second attractive target within P37/6760 and the southern most part of P37/6761 with only limited previous exploration. The alluvial drainage in the area may have potentially hindered previous exploration efforts. Close spaced RAB drilling will be required.

The small soil geochemical survey conducted by Cazaly has produced two modest anomalies that require follow-up with further detailed soil geochemistry and/or limited RAB drilling.

1.5 Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

On the basis that approval is obtained the Company will seek to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules.

As part of the re-compliance the Company will seek to carry out the Placement (as set out in Resolution 5) from which the Company will then have sufficient funds for the purposes of its proposed exploration programs.

1.6 Pro-forma balance sheet

An unaudited pro forma balance sheet of the Company following completion of the proposed disposal of Portlandbet, change to activities and completion of the Placement (minimum subscription only) is set out below:

MARGINBET LIMITED
Pro-Forma Consolidated Balance Sheet
As at 14 February 2008

	Marginbet Limited 14-February-2008 $	Pro-Forma Consolidated 14-February-2008 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents[1]	267,849	2,372,849
Trade and other receivables	17,500	17,500
TOTAL CURRENT ASSET	**285,349**	**2,390,349**
NON-CURRENT ASSETS		
Investment in subsidiary	1	-
Exploration and evaluation assets	25,000	25,000
Gaming Commission Bond	250,000	-
TOTAL NON-CURRENT ASSETS	**275,001**	**25,000**
TOTAL ASSETS	**560,350**	**2,415,349**
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	38,230	38,230
Provisions (CL)	3,498	3,498
TOTAL CURRENT LIABILITIES	**41,728**	**41,728**
NON-CURRENT LIABILITIES		
-	-	-
TOTAL NON-CURRENT LIABILITIES	**-**	**-**
TOTAL LIABILITIES	**41,728**	**41,728**
NET ASSETS	**518,622**	**2,373,621**
EQUITY		
Contributed equity	5,705,722	7,560,721
Retained earnings	(5,401,275)	(5,401,275)
Reserves	214,175	214,175
TOTAL EQUITY	**518,622**	**2,373,621**

Notes

1 The pro-forma consolidated figure is based on the minimum subscription of the Placement being achieved and expenses of the offer being $200,000. In the event the maximum subscription of the Placement is achieved the additional capital raised will be $1,000,000.

1.7 Pro-forma capital structure

The capital structure of the Company following completion of the Consolidation and Placement (minimum subscription only) is set out below:

Type of Security	Current	Post-Consolidation
Shares	52,107,063	10,421,413
Placement (refer to Resolution 5) [a]	-	10,000,000
Total Shares	**52,107,063**	**20,421,413**
September 2010 listed Options[1]	5,005,000	1,001,000
April 2010 unlisted Options[2]	2,012,500	402,500
June 2010 unlisted Options[3]	625,000	125,000
December 2010 unlisted Options[4]	1,000,000	200,000
20c August 2011 unlisted Options[5]	750,000	150,000
40c August 2011 unlisted Options[6]	250,000	50,000
May 2012 unlisted Options[7]	1,750,000	350,000
Director Options (refer to Resolutions 7 to 9)[8]	-	9,000,000
Placement Options (refer to Resolution 5) [a]	-	5,000,000
Total Options	**11,392,500**	**16,278,500**

Notes:

a These figures are based upon the minimum subscription for the Placement being achieved. An additional 5,000,000 Shares and 2,500,000 Placement Options may be issued in the event the Company issues the maximum subscription of the Placement (refer to Section 6 of this Explanatory Statement for further information regarding the Placement).

1 Expiry date of 18 September 2010 and an exercise price of $0.20 (pre-Consolidation) or $2.00 (post-Consolidation).

2 Expiry date of 26 April 2010 and an exercise price of $0.20 (pre-Consolidation) or $2.00 (post-Consolidation).

3 Expiry date of 7 June 2010 and an exercise price of $0.20 (pre-Consolidation) or $2.00 (post-Consolidation).

4 Expiry date of 4 December 2010 and an exercise price of $0.20 (pre-Consolidation) or $2.00 (post-Consolidation).

5 Expiry date of 21 August 2011 and an exercise price of $0.20 (pre-Consolidation) or $2.00 (post-Consolidation).

6 Expiry date of 21 August 2011 and an exercise price of $0.40 (pre-Consolidation) or $4.00 (post-Consolidation).

7 Expiry date of 28 May 2012 and an exercise price of $0.20 (pre-Consolidation) or $2.00 (post-Consolidation).

8 Expiry date of 31 December 2012 and an exercise price of $0.20 (these options to be issued on a post-Consolidation basis).

1.8 Indicative timetable

Event	Date
Notice of Meeting dispatched to Shareholders	25 February 2008
Issue of Prospectus	14 March 2008
Suspension of Shares (prior to commencement of trading)	28 March 2008
General Meeting of Shareholders	28 March 2008
Completion of Capital Raising	11 April 2008
Anticipated date Company recommences trading on ASX	16 April 2008

1.9 Advantages of transactions

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

(a) by approving the disposal of Portlandbet the Company is not exposed to any further losses from the existing business;

(b) by approving the change of nature, the Company can focus on mining exploration activities only and is able to divest the existing Portlandbet business;

(c) by changing the focus and making this clear, there will no longer be confusion in the market as to the intentions of the Company;

(d) the mining exploration activities represent a significant opportunity for the Company; and

(e) the separation of activities should assist it in raising capital in the future and consolidation will result in a more simplified structure.

1.10 Disadvantages of transactions

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

(a) the Company will be changing the nature of its activities to become a company focused on mining exploration activities, which may not be consistent with the objectives of all Shareholders; and

(b) there are many risk factors associated with the change in nature of the Company's activities (refer to Section 1.11 below for further information).

1.11 Risks

Shareholders should be aware that if the Resolutions are approved, the Company will be changing the nature of its activities to a mining exploration company which is subject to various risk factors. Based on the information available, a non-exhaustive list of risk factors are as follows:

Risks Specific to the Company

(a) Exploration

Mining exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there is no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.

(b) Native Title and Aboriginal Heritage

The Native Title Act 1993 (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration or obtain production tenements.

In certain circumstances the consent of registered native title claimants must be obtained prior to carrying out certain activities on land to which their claim relates. It is possible that the conditions imposed by native title claimants on such consent may be on terms unacceptable to the Company.

(c) Tenure and Access

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

The Tenements are subject to numerous State-specific legislation conditions. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the Tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(d) Compulsory Work Obligations

Each of the Tenements is subject to expenditure and work commitments which must be met in order to keep the Tenements in good standing. Such commitments may be varied on application by the tenement holder but any such variation is at the sole discretion of the Minister administering the relevant State mining legislation. If no variation is approved, and there is failure to meet the commitments, this could lead to forfeiture of the tenement.

(e) Competition Risk

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(f) Future Capital Needs

Further funding may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain finance will adversely affect the business and financial condition of the Company and, its performance.

General Risks

(g) Economic Risks

Factors such as inflation, currency fluctuations, interest rates, supply and demand of capital and industrial disruption have an impact on business costs, commodity prices and stock market prices. The Company's operating costs, possible future revenues and future profitability can be affected by these factors, which are beyond the control of the Company.

(h) Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making such acquisitions.

(i) Market Conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as, general economic outlook, interest rates and inflation rates, currency fluctuations, changes in investor sentiment toward particular market sectors, the demand for, and supply of, capital and terrorism or other hostilities.

(j) Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(k) Investment Speculative

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

1.12 Directors' recommendations

The Directors have a relevant interest in the securities of the Company (on a pre-Consolidation basis) as set out in Section 7.2(g) of this Explanatory Statement.

Each of the Directors intends to vote their Shares in favour of all of the Resolutions, subject to any voting exclusions for particular Resolutions.

2. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

2.1 General

As outlined in Section 1.2 of this Explanatory Statement, the Company has entered into an agreement pursuant to which the Company agrees, subject to Shareholder approval, to sell all its wholly owned subsidiary Portlandbet Pty Ltd (**Portlandbet**) which holds the existing business of the Company.

After completion of the Sale Agreement (as well as the Farm-in Agreement, Placement), the Company's pro forma balance sheet will be as set out in Section 1.6 of this Explanatory Statement.

2.2 Legal requirements

ASX Listing Rule 11.2 requires that a disposal of the main undertaking of a Company be approved by Shareholders. The proposed sale of Portlandbet by the Company constitutes the disposal of the main undertaking of the Company. Accordingly, this Resolution seeks the approval for the proposed disposition.

3. RESOLUTION 2 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

3.1 General

Resolution 2 seeks approval from Shareholders for a change to the nature and scale of the activities of the Company to become a mining exploration company.

As outlined in Section 1.3 of this Explanatory Statement, the Company has entered into the Farm-in Agreement which gives the Company the right to earn-in a 75% interest in the Tenements. The Farm-in Agreement is subject to the conditions precedent set out in Section 1.3 above, including the requirement to obtain Shareholder approval.

A detailed description of the Christmas Bore Project is outlined in Section 1.4 above.

3.2 Legal requirements

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

(a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;

(b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and

(c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has indicated to the Company that given the change in the nature and scale of the Company's activities requires the Company to:

(a) obtain Shareholder approval; and

(b) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

4. RESOLUTION 3 – CHANGE OF COMPANY NAME

4.1 General

Resolution 3 seeks a change of name for the Company to Fortuna Minerals Limited.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

5. RESOLUTION 4 – CONSOLIDATION OF CAPITAL

5.1 Background

Resolution 4 seeks Shareholder approval to consolidate the number of Shares and Options on issue on a one (1) for five (5) basis (**Consolidation**).

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward and enable the Company to satisfy Chapters 1 and 2 of the ASX Listing Rules and obtain re-quotation of the Shares on ASX should Shareholder approval be obtained pursuant to Resolution 2.

5.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

The ASX Listing Rules also require that the number of options on issue be consolidated in the same ratio as the ordinary capital and the exercise price amended in inverse proportion to that ratio.

5.3 Fractional Entitlements and Taxation

Not all Shareholders and Optionholders will hold that number of Shares and Options which can be evenly divided by five. Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole Share or Option.

It is not considered that any taxation implications will exist for Shareholders or Optionholders arising from the Consolidation. However, Shareholders and Optionholders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor the Directors (or the Company's advisors) accept any responsibility for the individual taxation implications arising from the Consolidation.

5.4 Holding Statements and Option Certificates

From the date of the Consolidation:

(a) all holding statements for Shares and listed Options will cease to have any effect, except as evidence of entitlement to a certain number of Shares on a post-Consolidation basis; and

(b) all certificates for unlisted Options (if any) will cease to have any effect, except as evidence of entitlement to a certain number of Options on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares and listed Options to be issued to holders of those securities and to the extent required new certificates for unlisted Options to be issued to Optionholders.

It is the responsibility of each Shareholder or Optionholder to check the number of Shares or Options held prior to disposal or exercise (as the case may be).

5.5 Effect on capital structure

The effect which the Consolidation will have on the capital structure of the Company is set out in the table in Section 1.7 of this Explanatory Statement.

6. RESOLUTION 5 – PLACEMENT

6.1 General

Resolution 5 seeks Shareholder approval for the allotment and issue of up to 15,000,000 Shares at an issue price of $0.20 per Share and up to 7,500,000 Placement Options (on the basis of one free attaching Placement Option for every Share subscribed for) (**Placement**).

The Company intends to conduct the Placement through the issue of a prospectus as part of its re-compliance with Chapters 1 and 2 of the ASX Listing Rules (**Prospectus**).

The Prospectus will have a minimum subscription of 10,000,000 Shares (being $2,000,000) together with 5,000,000 free attaching Placement Options. The Company also intends to make a priority offer to Shareholders to subscribe for a minimum of 10,000 Shares. Details of the record date for determining such entitlement to a priority offer will be announced by the Company in due course.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 5 will be to allow the Directors to issue the Shares pursuant to the Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

6.2 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 Placement:

(a) the maximum number of Shares and Placement Options to be issued is 15,000,000 and 7,500,000 respectively;

(b) the Shares and Placement Options will be issued no later than 3 months after the date of the General 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 $0.20 per Share and nil for the Placement Options;

(d) the Directors will determine to whom the Shares and Placement Options will be issued but these persons will not be related parties of the Company; and

(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;

(f) the Placement Options will be issued on the terms and conditions set out in Schedule 1; and

(g) assuming the minimum subscription of $2,000,000 is raised from the Placement the Company intends to use these funds towards the exploration of the Christmas Bore project ($1,600,000), expenses of the offer ($200,000) and working capital ($200,000). In the event the funds raised from the Placement are inbetween the minimum and maximum subscription is reached the additional $1,000,000 will be apportioned between the Christmas Bore project ($800,000) and working capital ($200,000).

7. RESOLUTIONS 6 TO 8 – ISSUE OF DIRECTOR OPTIONS

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 9,000,000 Options (**Director Options**) to Messrs Walker, Ralston and Shields (**Related Parties**) on the terms and conditions set out below.

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.

In addition, 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.

The grant of the Director Options to the Related Parties requires the Company to obtain Shareholder approval because the grant of Director Options constitutes giving a financial benefit and as Directors, Messrs Walker, Ralston and Shields are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Director Options to the Related Parties.

7.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options:

(a) the related parties are Messrs Walker, Ralston and Shields and they are related parties by virtue of being Directors;

(b) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:

(i) 5,000,000 Director Options to Mathew Walker;

(ii) 2,000,000 Director Options to Garry Ralston; and

(iii) 2,000,000 Director Options to Michael Shields;

(c) the Director Options will be granted to the Related Parties no later than 1 month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one date;

(d) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;

(e) the terms and conditions of the Director Options are set out in Schedule 2;

(f) the value of the Director Options and the pricing methodology is set out in Schedule 3;

(g) the relevant interests of the Related Parties in securities of the Company are set out below;

Related Party	Shares	Options
Mathew Walker	10,000,000	Nil
Garry Ralston	4,361,523	10,000[1]
Michael Shields	Nil	Nil

[1] 10,000 listed Options exerciseable at $0.20 each ($2.00 post-Consolidation) on or before 18 September 2010.

(h) the remuneration and emoluments from the Company to the Related Parties for both the current financial year (year to date) and previous financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Mathew Walker	$7,500	Nil
Garry Ralston	Nil	Nil
Michael Shields	Nil	Nil

(i) if the Director Options granted to the Related Parties are exercised, a total of 9,000,000 post-Consolidation Shares would be allotted and issued. This will increase the number of Shares on issue from 20,421,413 (being the total post-Consolidation Shares including the Placement) to 29,421,413 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Related Party	Total Shares post-Consolidation and Placement	Director Options to be issued	Issued Shares upon exercise of all Director Options	Dilutionary effect upon exercise of Director Options
Mathew Walker	20,421,413	5,000,000	29,421,413	17.0%
Garry Ralston	20,421,413	2,000,000	29,421,413	6.8%
Michael Shields	20,421,413	2,000,000	29,421,413	6.8%
TOTAL	**20,421,413**	**9,000,000**	**29,421,413**	**30.6%**

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.

(j) the trading history of the Shares on ASX in the period since commencing trading on ASX (being 19 September 2007) up to the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	18 cents	19 September 2007
Lowest	4 cents	22 January, 8 & 12 February 2008
Last	4 cents	14 February 2008

(k) the primary purpose of the grant of Director Options to the Related Parties is to provide cost effective consideration to the Related Parties for their ongoing commitment and contribution to the Company in their respective roles as Directors. In addition, the Board considers the grant of the Director Options to the Related Parties to be reasonable, given the necessity to attract the highest calibre of professionals to the Company whilst maintaining the Company's cash reserves. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed;

(l) the Board acknowledges the grant of Director Options to Garry Ralston and Michael Shields is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the

Board considers the grant of Director Options to Garry Ralston and Michael Shields reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves;

(m) Mathew Walker declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 6, recommend that Shareholders vote in favour of Resolution 6. The Board (other than Mathew Walker) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution;

(n) Garry Ralston declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 7, recommend that Shareholders vote in favour of Resolution 7. The Board (other than Garry Ralston) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution; and

(o) Michael Shields declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 8, recommend that Shareholders vote in favour of Resolution 8. The Board (other than Michael Shields) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

8. ENQUIRIES

Shareholders are required to contact Loren Jones on (+ 61 8) 9223 9894 if they have any queries in respect of the matters set out in these documents.

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.

Company means Marginbet Limited (ACN 112 425 788).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director Option means an Option granted pursuant to Resolutions 6, 7 and 8 with the terms and conditions set out in Schedule 2.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

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

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Optionholder means a holder of an Option, Placement Option or Director Option as the context requires.

Placement Option means an Option granted pursuant to Resolution 5 with the terms and conditions set out in Schedule 1.

Resolutions means the resolutions set out in the Notice of Meeting, 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.

Tenements means the Christmas Bore Tenements in which the Company has a right to earn in a 75% interest pursuant to the Farm-in Agreement described in Section 1.3 of the Explanatory Statement.

WST means Western Standard Time (or Western Summer Time) observed in Perth, Western Australia, as appropriate.

SCHEDULE 1 – TERMS AND CONDITIONS OF PLACEMENT OPTIONS

The Placement Options entitle the holder to subscribe for Shares on the following terms and conditions:

(a) Each Placement Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Placement Option, the Optionholder must exercise the Placement Options in accordance with the terms and conditions of the Placement Options.

(b) The Placement Options will expire at 5:00 pm (WST) on 31 December 2012 (**Expiry Date**). Any Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) The amount payable upon exercise of each Placement Option will be $0.20 (**Exercise Price**).

(d) The Placement Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

(e) An Optionholder may exercise their Placement Options by lodging with the Company, before the Expiry Date:

   (i) a written notice of exercise of Placement Options specifying the number of Placement Options being exercised; and

   (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Placement Options being exercised;

   (**Exercise Notice**).

(f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

(g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Placement Options specified in the Exercise Notice.

(h) The Placement Options are not transferable.

(i) All Shares allotted upon the exercise of Placement Options will upon allotment rank pari passu in all respects with other Shares.

(j) The Company will not apply for quotation of the Placement Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Placement Options on ASX within 10 Business Days after the date of allotment of those Shares.

(k) 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.

(l) There are no participating rights or entitlements inherent in the Placement Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Placement Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced.

This will give Optionholders the opportunity to exercise their Placement Options prior to the date for determining entitlements to participate in any such issue.

(m) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Placement Options, the exercise price of the Placement Options will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(n) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Placement Options, the number of securities over which a Placement Option is exerciseable may be increased by the number of securities which the Optionholder would have received if the Placement Option had been exercised before the record date for the bonus issue.

SCHEDULE 2 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS

The Director Options entitle the holder to subscribe for Shares on the following terms and conditions:

(a) Each Director Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Director Option, the Optionholder must exercise the Director Options in accordance with the terms and conditions of the Director Options.

(b) The Director Options will expire at 5:00 pm (WST) on 31 December 2012 (**Expiry Date**). Any Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) The amount payable upon exercise of each Director Option will be $0.20 (**Exercise Price**).

(d) The Director Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

(e) An Optionholder may exercise their Director Options by lodging with the Company, before the Expiry Date:

  (i) a written notice of exercise of Director Options specifying the number of Director Options being exercised; and

  (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Director Options being exercised;

  (**Exercise Notice**).

(f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

(g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.

(h) The Director Options are not transferable.

(i) All Shares allotted upon the exercise of Director Options will upon allotment rank pari passu in all respects with other Shares.

(j) The Company will not apply for quotation of the Director Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Director Options on ASX within 10 Business Days after the date of allotment of those Shares.

(k) 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.

(l) There are no participating rights or entitlements inherent in the Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give

Optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.

(m) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Director Options, the exercise price of the Director Options will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(n) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Director Options, the number of securities over which a Director Option is exerciseable may be increased by the number of securities which the Optionholder would have received if the Director Option had been exercised before the record date for the bonus issue.

SCHEDULE 3 – VALUATION OF DIRECTOR OPTIONS

The Director Options to be issued to the Related Parties pursuant to Resolutions 6, 7 and 8 have been valued by Stantons International Securities Pty Ltd.

Using the Binomial Option Valuation Methodology and based on the assumptions set out below, the Director Options were ascribed a value range, as follows:

Assumptions:			
Valuation date	14 February 2008		
Market price of Shares (factoring in the Consolidation)	20 cents		
Exercise price	20 cents		
Expiry date	31 December 2012		
Risk free interest rate	6.50%		
Volatility	75%	100%	150%
Discount factor (for unlisted status)	20%		
Indicative value per Director Option	10.01 cents	11.83 cents	14.21 cents
Total Value of Director Options	$900,900	$1,064,700	$1,278,900
- Mathew Walker	$500,500	$591,500	$710,500
- Garry Ralston	$200,200	$236,600	$284,200
- Michael Shields	$200,200	$236,600	$284,200

Note: The valuation ranges noted above are not necessarily the market prices that the Director Options could be traded at and they are not automatically the market prices for taxation purposes.

PROXY FORM

APPOINTMENT OF PROXY
MARGINBET LIMITED
ACN 112 425 788

GENERAL MEETING

I/We ______________________________

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

Appoint ______________________________

Name of proxy

OR

☐ Mark this box if you wish to appoint the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 9.00 am (WST), on 28 March 2008 at Exchange Plaza, Level 8 Conference Room, 2 The Esplanade, Perth, Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Disposal of main undertaking	☐	☐	☐
Resolution 2 – Change to nature and scale of activities	☐	☐	☐
Resolution 3 – Change of Company Name	☐	☐	☐
Resolution 4 – Consolidation of Capital	☐	☐	☐
Resolution 5 – Placement	☐	☐	☐
Resolution 6 – Issue of Director Options – Mathew Walker	☐	☐	☐
Resolution 7 – Issue of Director Options – Garry Ralston	☐	☐	☐
Resolution 8 – Issue of Director Options – Michael Shields	☐	☐	☐

OR

☐ If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of Resolution 6 please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 6 and that votes cast by the Chair of the General Meeting for Resolution 6 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 6 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 6.

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 to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is ____________%

Signed this day of 2008

By:

Individuals and joint holders	**Companies (affix common seal if appropriate)**
Signature	Director
Signature	Director/Company Secretary
Signature	Sole Director and Sole Company Secretary

MARGINBET LIMITED
ACN 112 425 788

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.

2. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members should sign.

3. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.

4. Corporate members should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

   - 2 directors of the company;
   - a director and a company secretary of the company; or
   - for a proprietary company that has a sole director who is also the sole company secretary – that director.

   For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

5. Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.

6. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

   (a) post to Marginbet Limited, PO Box Z5223, St Georges Terrace, Perth WA 6831; or

   (b) facsimile to the Company on facsimile number +61 8 9221 5107,

   so that it is received not later than 9.00 am (WST) on 26 March 2008.

   Proxy forms received later than this time will be invalid.