



10 September 2012

Manager of Company Announcements
ASX Limited
Level 6, 20 Bridge Street
Sydney NSW 2000

By E-Lodgement

**SELECT EXPLORATION LIMITED ("Select" or "the Company")
Lodgment of Notice of General Meeting ("Notice")**

At the general meeting of the Company held on 31 July 2012 ("**July Meeting**"), the Company received shareholder approval (amongst other approvals) to undertake a placement of up to 13,333,333 Shares each at an issue price of \$0.30 ("**Placement Shares**") to raise a minimum of \$3,500,000 (with oversubscriptions of up to an additional \$500,000) to fund initial working capital on the Tanzanian exploration projects ("**Placement**").

It was contemplated in the notice of the meeting for the July Meeting ("**July Notice**") that the Company may seek to have the Placement underwritten and at the July Meeting the Company obtained Shareholder approval to grant Underwriter Options on the basis of one Underwriter Option for every two Shares sub-underwritten, with an additional Secondary Option being granted for every Underwriter Option exercised.

The Placement will now not be underwritten. As a result, the Company intends to grant the Options that would have been granted to the sub-underwriters, to the participants in the Placement as a free attaching Option on the basis of one Placement Option for every two Shares subscribed for under the Placement.

The Placement Options will have the same terms and conditions as the Underwriter Options save and except that the Placement Options will be exercisable at \$0.35 on or before 30 September 2015 (as opposed to an exercise price of \$0.40 and an expiry date of 30 June 2013 as approved for the Underwriter Options). The Company also proposes to extend the expiry date of the Secondary Options from 30 June 2015 (as approved at the July Meeting) to 31 March 2017. These changes do not affect the total number of Options to be granted as contemplated in the July Notice.



The proposed commitments of the current Directors to participate in the Placement will remain unchanged from those disclosed in the July Notice. Given that the Placement Options are now free attaching to all Placement Shares issued to the participants in the Placement (as opposed to underwriter and sub-underwriters of the Placement), Shareholder approval is again being sought to the current Directors participating in the Placement including with the free attaching Placement Options on the basis of one Placement Option for every two Placement Shares issued.

Please note that the number of Options which the current Directors may receive under the Placement is identical in number to the number they would have received if they provided sub-underwriting commitments as contemplated in the July Notice. Shane Cranswick, who will become the Managing Director of the Company following completion of the Acquisition and the Company's re-compliance with Chapters 1 and 2 of the Listing Rules, has also agreed that he may also participate in the Placement. Accordingly Shareholder approval is also being sought for this.

Full details of the resolutions are provided in the attached Notice. Before making any decision, shareholders should read the Notice in its entirety and if in doubt about what action to take contact their professional advisers.

The Notice of Meeting is currently being dispatched to shareholders.

For and on behalf of the board

A handwritten signature in black ink, appearing to read "I MacLiver", written in a cursive style.

IAN MACLIVER
Chairman

SELECT EXPLORATION LIMITED

ACN 062 063 692

NOTICE OF GENERAL MEETING

**A General Meeting of the Company will be held at
945 Wellington Street, West Perth, Western Australia on
Tuesday 9 October 2012 at 3.30PM (WST).**

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

***Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on
(08) 9322 7600.***

SELECT EXPLORATION LIMITED

ACN 062 063 692

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Select Exploration Limited (**Company**) will be held at 945 Wellington Street, West Perth, Western Australia on Tuesday 9 October 2012 at 3.30pm (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday 7 October 2012 at 3.30pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 6.

AGENDA

1. Resolution 1 – Authority to grant Placement Options

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to allot and grant up to 6,666,667 Placement Options (on a post consolidation basis) each exercisable at \$0.35 on or before 30 September 2015 (which if exercised entitle the holder to be granted one additional Secondary Option exercisable at \$0.45 on or before 31 March 2017) to the persons, and on the terms and conditions, in the Explanatory Memorandum accompanying this Notice."

2. Resolution 2 – Authority for Mr Ian MacIver to participate in Placement

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

"That, subject to Resolution 1 being passed, and pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders authorise and approve Mr Ian MacIver and/or his nominees to:

- (a) *participate in the Placement to the extent of up to 333,334 Shares each at an issue price of \$0.30; and*
- (b) *be granted up to 166,667 Placement Options each exercisable at \$0.35 on or before 30 September 2015 (which if exercised entitle the holder to be granted one additional Secondary Option exercisable at \$0.45 on or before 31 March 2017),*

on the terms and conditions in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion

The Company will disregard any votes cast on this resolution by Mr Ian MacIver and his nominees, and any of their associates.

However, the Company will not disregard a vote if:

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

3. Resolution 3 – Authority for Mr Mark Titchener to participate in Placement

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

"That, subject to Resolution 1 being passed, and pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders authorise and approve Mr Mark Titchener and/or his nominees to:

- (a) *participate in the Placement to the extent of up to 333,334 Shares each at an issue price of \$0.30; and*
- (b) *be granted up to 166,667 Placement Options each exercisable at \$0.35 on or before 30 September 2015 (which if exercised entitle the holder to be granted one additional Secondary Option exercisable at \$0.45 on or before 31 March 2017),*

on the terms and conditions in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion

The Company will disregard any votes cast on this resolution by Mr Mark Titchener and his nominees, and any of their associates.

However, the Company will not disregard a vote if:

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

4. Resolution 4 – Authority for Mr Gary Seabrooke to participate in Placement

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

"That, subject to Resolution 1 being passed, and pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders authorise and approve Mr Gary Seabrooke and/or his nominees to:

- (a) *participate in the Placement to the extent of up to 333,334 Shares each at an issue price of \$0.30; and*
- (b) *be granted up to 166,667 Placement Options each exercisable at \$0.35 on or before 30 September 2015 (which if exercised entitle the holder to be granted one additional Secondary Option exercisable at \$0.45 on or before 31 March 2017),*

on the terms and conditions in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion

The Company will disregard any votes cast on this resolution by Mr Gary Seabrooke and his nominees, and any of their associates.

However, the Company will not disregard a vote if:

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

5. Resolution 5 – Authority for Ms Cherie Leeden to participate in Placement

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

"That, subject to Resolution 1 being passed, and pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders authorise and approve Ms Cherie Leeden and/or her nominees to:

- (a) *participate in the Placement to the extent of up to 66,667 Shares each at an issue price of \$0.30; and*
- (b) *be granted up to 33,334 Placement Options each exercisable at \$0.35 on or before 30 September 2015 (which if exercised entitle the holder to be granted one additional Secondary Option exercisable at \$0.45 on or before 31 March 2017),*

on the terms and conditions in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion

The Company will disregard any votes cast on this resolution by Ms Cherie Leeden and her nominees, and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
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6. Resolution 6 – Authority for Mr Shane Cranswick to participate in Placement

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

"That, subject to Resolution 1 being passed, and pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders authorise and approve Mr Shane Cranswick and/or his nominees to:

- (a) *participate in the Placement to the extent of up to 166,667 Shares each at an issue price of \$0.30; and*
- (b) *be granted up to 83,334 Placement Options each exercisable at \$0.35 on or before 30 September 2015 (which if exercised entitle the holder to be granted one additional Secondary Option exercisable at \$0.45 on or before 31 March 2017),*

on the terms and conditions in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion

The Company will disregard any votes cast on this resolution by Mr Shane Cranswick and his nominees, and any of their associates.

However, the Company will not disregard a vote if:

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

Dated 30 August 2012

BY ORDER OF THE BOARD



Ian Macliver
Chairman

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 945 Wellington Street, West Perth, Western Australia on Tuesday 9 October 2012 at 3.30pm (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

3. Background

At the general meeting of the Company held on 31 July 2012 (**July Meeting**), the Company received Shareholder approval (amongst other approvals) to:

- (a) acquire from Mauritian based explorer Indigo Metals Limited (**Indigo**) 100% of the issued capital of the companies which ultimately own the exploration tenements covering four prospective and potentially large scale coal and uranium projects in Tanzania (**Projects**) (**Acquisition**); and
- (b) to undertake a placement of up to 13,333,333 Shares each at an issue price of \$0.30 (**Placement Shares**) to raise a minimum of \$3,500,000 (with oversubscriptions of up to an additional \$500,000) to fund initial working capital on the Projects (**Placement**).

It was contemplated in the notice of the meeting for the July Meeting (**July Notice**) that the Company may seek to have the Placement underwritten and at the July Meeting the Company obtained Shareholder approval to grant Underwriter Options on the basis of one Underwriter Option for every two Shares sub-underwritten, with an additional Secondary Option being granted for every Underwriter Option exercised. As a show of support for the Company, the Current Directors agreed that they may participate in sub-underwriting the Placement and Shareholders approved the participation of the Current Directors in the Placement as sub-underwriters and the grant of Underwriter Options to the Current Directors.

The Placement will now not be underwritten. As a result, the Company intends to grant the Options that would have been granted to the sub-underwriters, to the participants in the Placement as a free attaching Option on the basis of one Placement Option for every two Shares subscribed for under the Placement. The Placement Options will have the same terms and conditions as the Underwriter Options save and except that the Placement Options will be exercisable at \$0.35 on or before 30 September 2015 (as opposed to an exercise price of \$0.40 and an expiry date of 30 June 2013 as approved for the Underwriter Options). The Company also proposes to extend the expiry date of the Secondary Options from 30 June 2015 (as approved at the July Meeting) to 31 March 2017. These changes do not affect the total number of Options to be granted as contemplated in the July Notice.

The proposed commitments of the Current Directors to participate in the Placement will remain unchanged from those disclosed in the July Notice. Given that the Placement Options are now free attaching to all Placement Shares issued to the participants in the Placement (as opposed to underwriter and sub-underwriters of the Placement), Shareholder approval is again being sought to the Current Directors participating in the Placement including with the free attaching Placement Options on the basis of one Placement Option for every two Placement Shares issued. Please note that the number of Options which the Current Directors may receive under the Placement is identical in number to the number they would have received if they provided sub-underwriting commitments as contemplated in the July Notice. Shane Cranswick, who will become the Managing Director of the Company following completion of the Acquisition and the Company's re-compliance with Chapters 1 and 2 of the Listing Rules, has also agreed that he may also participate in the Placement. Accordingly Shareholder approval is also being sought for this.

As noted in the July Notice, approximately two months following completion of the Placement, the Company intends to offer all Shareholders one free Loyalty Option for every two Shares held at the record date. The July Notice contemplated that these Options would be exercisable at \$0.40 on or before 30 June 2013. The Company now proposes that the Loyalty Options will be exercisable at \$0.35 on or before 30 September 2015 but otherwise on the same terms and conditions as previously contemplated. The Loyalty Options will be granted for a nominal price

per Option. On the exercise of each Loyalty Option, the holder will be issued one Share in the Company and granted a further Secondary Option with the revised expiry date of 31 March 2017.

In summary, the capital raising of the Company will now proceed as follows:

- (a) The amount of the Placement to be undertaken remains unchanged from the July Notice. The Company will raise a minimum of \$3.5 million with over-subscriptions of up to an additional \$500,000.
- (b) The Placement will not be underwritten. The Underwriter Options to be issued to underwriters and sub-underwriters will now be issued to all participants in the Placement as free attaching Options on the basis of one Placement Option for every two Shares subscribed for under the Placement. The number of Options to be issued remains unchanged.
- (c) The exercise price and expiry date of the Placement Options will now be \$0.35 and 30 September 2015, respectively (previously \$0.40 and 30 June 2013).
- (d) The Current Directors may participate in the Placement as contemplated in the July Notice (this has not changed). Approval is now also be sought for Mr Shane Cranswick, the Managing Director elect, to participate in the Placement (including receiving the free attaching Placement Options).
- (e) The offer of Loyalty Options will proceed approximately two months after completion of the Placement in the same manner as contemplated in the July Notice .

4. Resolution 1 – Authority to grant Placement Options

The Company is proposing to undertake the Placement to seek to raise a minimum of \$3,500,000 but may also accept oversubscriptions of up to an additional \$500,000 (refer to Section 3 above). The issue of Shares pursuant to the Placement was approved by Shareholders at the July Meeting. The Company had previously obtained Shareholder approval to grant Underwriter Options but, as the Placement will not be underwritten, the Company has now decided to grant the same number of Options (up to 6,666,667) to the participants in the Placement as a free attaching Option on the basis of one Placement Option for every two Shares subscribed for under the Placement instead. There is no need for the Company to seek another approval for the issue of the Placement Shares as the terms and conditions of the issue of the Placement Shares has not changed.

Listing Rule 7.1 provides that, subject to certain exceptions, Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

The grant of the Placement Options under Resolution 1 would result in the Company exceeding this 15% threshold. Therefore Shareholder approval is required pursuant to Listing Rule 7.1.

Resolution 1 is an ordinary resolution.

4.1 Specific Information Required by Listing Rule 7.3

For the purposes of Listing Rule 7.3 information regarding the grant of the Placement Options is provided as follows:

- (a) The maximum number of Options the Company can grant under Resolution 1 is 6,666,667 Placement Options exercisable at \$0.35 each on or before 30 September 2015 and up to 6,666,667 Secondary Options.
- (b) The Company will grant the Placement Options no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (c) The Placement Options will be granted for nil consideration. Each Placement Option will be issued as a free attaching Option on the basis of one Placement Option for every two Shares subscribed for under the Placement.
- (d) The Placement Options will be granted to existing Shareholders and the general public that participate in the Placement and, subject to approval of Resolutions 2 - 6, the Directors (refer to Section 5 below).
- (e) The Company proposes to give the existing Shareholders of the Company a priority right to participate in the Placement. The Company has determined the amount of the priority to be 70% of the minimum amount to be raised under the Placement (being up to 8,166,667 Shares together with 4,083,334 Placement Options). Full details of the amount of the priority will be included in the prospectus to be issued by the Company in respect of the Placement. The Company will limit the number of Placement Securities that it issues to a Shareholder to the greater of 5% of the Placement Securities being offered under the Placement and the number the Shareholder would be entitled to under a pro-rata issue of the Placement Securities.
- (f) The Placement Options have an exercise price of \$0.35 and expire on 30 September 2015. On the exercise of each Placement Option, the holder will be issued one Share in the Company and granted a further Secondary Option which has an exercise price of \$0.45 and an expiry date of 31 March 2017.
- (g) The Secondary Options will only be granted upon exercise of the Placement Options.
- (h) The Placement Options and Secondary Options are otherwise issued on the further terms and conditions in Schedule 1.
- (i) If all of the Placement Options are exercised, the Company will issue 6,666,667 Shares and grant 6,666,667 Secondary Options. If all of the Secondary Options are exercised, the Company will issue an additional 6,666,667 Shares.
- (j) No funds will be raised from the grant of the Placement Options. However the funds raised from the Placement will be used to fund the Acquisition and provide general working capital.
- (k) The grant of the Placement Options will occur progressively.
- (l) A voting exclusion statement is not included in the Notice because, in accordance with Listing Rule 7.3.8, the Company proposes to give the existing Shareholders of the Company a priority right to participate in at least 10% of the Placement and the Company will limit the number of Placement Securities that it issues to a Shareholder to the greater of 5% of the Placement Securities being offered under the Placement

and the number the Shareholder would be entitled to under a pro-rata issue of the Placement Securities.

5. Resolutions 2 - 6 – Authority for Directors to participate in Placement

Resolutions 2 - 6 seek Shareholder approval pursuant to Listing Rule 10.11 and Chapter 2E of the Corporations Act for the Directors and/or their nominees to subscribe for a total of up to 1,233,336 Shares (**Director Placement Shares**) together with up to 616,669 free attaching Placement Options (**Director Placement Options**), pursuant to the Placement. It was previously contemplated that the Current Directors would sub-underwrite the Placement. However, the Placement will now not be underwritten (refer to Section 3) and accordingly the Current Directors may participate in the Placement to the same level as their previous sub-underwriting commitments. In addition, the Managing Director elect, Shane Cranswick, has also agreed to participate in the Placement.

The terms and conditions upon which Directors and Mr Cranswick will subscribe for Placement Securities will be the same terms and conditions under which others will subscribe for Placement Securities under the Placement.

Further details of the Placement are outlined above in Section 3.

Shareholder approval is required under Listing Rule 10.11 and section 208 of the Corporations Act because the Directors are related parties of the Company.

Furthermore, Shareholder approval of the issue of the Director Placement Shares and the grant of the Director Placement Options to the Directors means that these issues will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Resolutions 2 - 6 are ordinary resolutions and are subject to the approval of Resolution 1.

5.1 Specific Information Required by Listing Rule 10.13 and section 219 of the Corporations Act

For the purposes of ASX Listing Rule 10.13 and section 219 of the Corporations Act, information regarding the issue of the Director Placement Shares and the grant of the Director Placement Options to the Directors is provided as follows:

- (a) The Director Placement Shares and Director Placement Options will be issued to the Directors, Mr Ian Macliver, Mr Mark Titchener, Mr Gary Seabrooke, Ms Cherie Leeden and Mr Shane Cranswick and/or their nominees.
- (b) The maximum number of Shares and Placement Options the Company can issue to each of the Directors and/or their nominees under Resolutions 2 - 6 is as follows:
 - (i) Mr Ian Macliver – 333,334 Shares and 166,667 Placement Options;
 - (ii) Mr Mark Titchener – 333,334 Shares and 166,667 Placement Options;
 - (iii) Mr Gary Seabrooke – 333,334 Shares and 166,667 Placement Options;
 - (iv) Ms Cherie Leeden – 66,667 Shares and 33,334 Placement Options; and
 - (v) Mr Shane Cranswick – 166,667 Shares and 83,334 Placement Options.

- (c) The Director Placement Shares will be issued, and the Director Placement Options granted, pursuant to the Placement, and on the same terms and conditions under which others will subscribe for Placement Securities under the Placement.
- (d) The Shares will each be allotted at an issue price of \$0.30 and will raise approximately \$370,000.
- (e) The Director Placement Options will be granted for nil consideration. Each Placement Option will be issued to the Directors as a free attaching Option on the basis of one Placement Option for every two Shares subscribed for.
- (f) The Shares to be issued are ordinary shares and rank equally with the Company's existing Shares.
- (g) The Placement Options have an exercise price of \$0.35 and expire on 30 September 2015. On the exercise of each Placement Option, the holder will be issued one Share in the Company and granted a further Secondary Option which has an exercise price of \$0.45 and an expiry date of 31 March 2017.
- (h) The Company will issue and allot the Director Placement Shares and grant the Director Placement Options to the Directors and/or their nominees no later than one month after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (i) The Company proposes to give the existing Shareholders of the Company a priority right to participate in the Placement (refer to Section 4.1(e)). The Directors will only participate in the Placement to the extent that the existing Shareholders do not subscribe for all the Shares offered pursuant to the Placement.
- (j) Messers Macliver, Titchener and Seabrooke and Ms Leeden each receive Directors' fees of \$40,000 per annum including superannuation. Mr Cranswick will receive annual remuneration of \$225,000 (inclusive of statutory superannuation) and will be entitled to 600,000 performance rights pursuant to the Company's performance rights plan (refer to the Company's ASX release dated 18 May 2012).

A Director may also be paid fees or other amounts as the Directors determine if a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A Director may also be reimbursed for out of pocket expenses incurred as a results of their directorship or any special duties.

Other than as set out in this Notice, the Directors do not receive any other emoluments except as incurred in the normal operation of the business.

- (k) The current and proposed (indirect) holdings of the Directors in the Company (on a post consolidation basis) are specified as follows:

Director	Current Shares	Proposed Placement Shares	Current Options*	Proposed Placement Options**
Ian Macliver	555,005	333,334	260,836	166,667
Cherie Leeden	Nil	66,667	Nil	33,334
Mark Titchener	967,505	333,334	467,086	166,667

Gary Seabrooke	417,505	333,334	192,086	166,667
Shane Cranswick	85,000	166,667	Nil	83,334

*Options each exercisable at \$0.20 on or before 31 July 2013

** On the exercise of each Placement Option, the holder will be issued one Share in the Company and granted a further Secondary Option.

Ian Macliver, Mark Titchener and Gary Seabrooke may exercise the Options currently on issue to them in the near future.

If all of the Director Placement Options are granted to the Directors and the Directors exercise all of the Director Placement Options, then the Company will issue 616,669 Shares and grant 616,669 Secondary Options to the Directors. If all of the Secondary Options granted to the Directors are exercised then the Company will issue an additional 616,669 Shares to the Directors.

Based on the Directors holdings in the table above, assuming completion of the Acquisition (with all cash consideration paid in cash), \$3.5 million is raised under the Placement and all of the Options held by each Director are exercised, including any Secondary Options granted to the Directors on exercise of the Placement Options (but no other Options on issue in the Company are exercised) then the maximum potential voting power of each Director would be as follows:

Director	Maximum Voting Power
Ian Macliver	3.72%
Cherie Leeden	0.33%
Mark Titchener	5.27%
Gary Seabrooke	3.20%
Shane Cranswick	1.05%

- (I) As outlined in the July Notice, Indigo will receive the following consideration for the Acquisition:
- (i) \$600,000 cash which Indigo may elect to be paid wholly or partly in cash or in Shares to be issued at \$0.40 per Share. If the whole of the cash consideration is paid in Shares then Indigo will be issued an additional 1,500,000 Shares.
 - (ii) 14,750,000 Shares (on a post consolidation basis).
 - (iii) 25,000,000 Class A Performance Shares and 25,000,000 Class B Performance Shares (together the **Performance Shares**). Refer to section 3.4 and schedule 2 of the July notice for further details of the terms and conditions of the Performance Shares.

The following table outlines the voting power of Indigo under various scenarios depending on whether the Performance Shares convert.

Event causing the Share issue	Number of Shares issued to Indigo	% of Share capital held by Indigo on issue of the Shares
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Prior to Completion of the Acquisition	Nil	0%
On Completion of the Acquisition and Placement	14,750,000 ⁽¹⁾	39.09% ⁽²⁾⁽³⁾
On achievement of the milestones of the Performance Shares prior to the expiry date of the Performance Shares	64,750,000 ⁽⁴⁾	73.80% ⁽⁵⁾⁽⁶⁾

- (1) Indigo may elect to be paid the cash component of the consideration for the Acquisition (\$600,000) in Shares to be issued at \$0.40 per Share. If the whole of the cash consideration is paid in Shares then Indigo will be issued an additional 1,500,000 Shares.
- (2) Assumes \$3.5 million is raised under the Placement. If the Company raises \$4 million under the Placement then Indigo's voting power will be 37.43%. If the whole of the cash consideration is paid in Shares resulting in Indigo being issued an additional 1,500,000 Shares then Indigo's voting power will be 41.41% assuming \$3.5 million is raised under the Placement and 39.73% assuming \$4 million is raised under the Placement.
- (3) Indigo will receive 8,125,000 Loyalty Options when the Company undertakes the issue of the Loyalty Options (assuming the whole of the cash consideration is paid in Shares). If Indigo exercises all of its Loyalty Options, then Indigo's voting power will be 51.46% (assuming \$3.5 million is raised) and 49.72% (assuming \$4 million is raised).
- (4) Assumes all of the Performance Shares issued to Indigo are converted to Shares prior to the expiry date of the Performance Shares.
- (5) Assumes \$3.5 million is raised under the Placement. If the Company raises \$4 million under the Placement then Indigo's voting power will be 72.42%. If the whole of the cash consideration is paid in Shares resulting in Indigo being issued an additional 1,500,000 Shares then Indigo's voting power will be 74.24% assuming \$3.5 million is raised under the Placement and 72.88% assuming \$4 million is raised under the Placement.
- (6) Indigo will receive 8,125,000 Loyalty Options when the Company undertakes the issue of the Loyalty Options (assuming the whole of the cash consideration is paid in Shares). If Indigo exercises all of its Loyalty Options, then Indigo's voting power will be 76.39% (assuming \$3.5 million is raised) and 75.10% (assuming \$4 million is raised).

- (m) As outlined in the July Notice, the Current Directors have an interest in the completion of the Acquisition due to their aggregate shareholding of 76% of the vendor, Indigo. No Current Director has a relevant interest in the securities to be allotted to Indigo as consideration for the Acquisition because neither they, nor any of their associates, have the power to control the vote or disposal of the securities to be allotted to Indigo as consideration for the Acquisition and none of them hold more than 20% of Indigo. However, for the purposes of good corporate governance, the following disclosure is made in respect of the Current Directors' shareholdings in Indigo:

Shareholder	Shares in Indigo	Percentage interest in Indigo
Rochas Resources Pty Ltd (related to Cherie Leeden)	95,000	19%

Rovuma Investments Pty Ltd (related to Gary Seabrooke)	95,000	19%
Element Nominees Pty Ltd (related to Mark Titchener)	95,000	19%
Wildwood Developments Pty Ltd (related to Ian Macliver)	95,000	19%

Notwithstanding this interest, the Current Directors may participate in the Placement to the extent specified in this Notice to assist the Company with raising sufficient funds to provide working capital for the exploration of the Projects. Shane Cranswick does not have an interest in the Acquisition. On this basis the Directors recommend that Shareholders vote in favour of Resolutions 2 - 6.

- (n) Other than as disclosed in this Section 5.1, none of the Directors currently have any other security holding in the Company.
- (o) If all the Director Placement Shares are issued it may result in a dilution of all other Shareholders' holdings in the Company by 3.14% based on completion of the Acquisition and Placement (assuming all the cash consideration for the Acquisition is paid in Shares, \$3.5 million is raised under the Placement and no existing Options are exercised) and by 1.38% assuming the Performance Shares convert in their entirety.

If all the Director Placement Options are exercised (and assuming the Director Placement Shares are issued) it may result in a dilution of all other Shareholders' holdings in the Company by 4.64% based on completion of the Acquisition and Placement (assuming all the cash consideration for the Acquisition is paid in Shares, \$3.5 million is raised under the Placement and no other existing Options are exercised) and by 2.06% assuming the Performance Shares convert in their entirety.

- (p) The value of the financial benefit proposed to be provided to the Directors through the issue of the Director Placement Shares may be calculated as the difference between the issue price of the Director Placement Shares to that Director and the market value of the Director Placement Shares to be issued (based on the quoted prices of the Director Placement Shares).

The maximum issue price of the Director Placement Shares is \$0.30 per Director. The market value of the maximum total Director Placement Shares at 16 December 2011 (the last trading day prior to the announcement of the Placement) was \$616,668, representing an indicative total net financial benefit of \$246,667 for the maximum total Director Placement Shares. The market value of the Director Placement Shares at 27 July 2012 (the last trading day prior to the Company being suspended in accordance with ASX requirements following the July Meeting) was \$493,334, representing an indicative net financial loss of \$123,334 for the maximum total Director Placement Shares.

The net financial benefit may go up or down depending upon the future market value of the Director Placement Shares. The above valuations are based on the following assumptions:

Quoted price at 16 December 2011 (being the last trading day prior to announcement of	Quoted price at 27 July 2012 (being the last trading day prior to the Company being
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	the Placement)	suspended in accordance with ASX requirements following the July Meeting)
Shares	\$0.50 (post consolidation)	\$0.40 (post consolidation)

- (q) On the basis of the assumptions below, the Company has determined the technical value of one Placement Option approximates \$0.20.

These valuations impute a total value of \$121,252 to the Director Placement Options.

The values may go up or down after the date of this Notice as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:

- (i) interest rate set at the Commonwealth Government securities rate of 2.65%;
- (ii) the date of valuation for the purposes of settling the current market value of a Share is 23 August 2012 being the current proposed re-compliance date for the Company and issue date for Director Placement Options;
- (iii) the price used in the valuation was \$0.30 (post consolidation, being the Placement issue price;
- (iv) the standard deviation of returns of the Loyalty Options to the Directors is set at 95% which is based on the Company's historical data and that of other junior explorers; and
- (v) the Options will be exercisable upon grant.

- (r) Historical share price information for the twelve months prior to the date of this Notice is as follows:

	Price (on a post consolidation basis)	Date
Highest	\$0.70	8 and 9 September 2011
Lowest	\$0.20	4, 7, 12, 13, 19 - 21, 25 - 29 June and 12 and 27 July 2012
Last (being the last trading day prior to the Company being suspended in accordance with ASX requirements following the July Meeting)	\$0.40	27 July 2012

- (s) A voting exclusion statement is included in this Notice.
- (t) Proceeds from the issue of the Director Placement Shares will predominantly be used to fund business development activities and to provide general working capital.

- (u) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolutions 2 - 6.

6. Definitions

In this Notice, Explanatory Memorandum and Proxy Form:

\$ means Australian Dollars.

Acquisition has the meaning given in Section 3.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Company means Select Exploration Limited ACN 062 063 692.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a current or proposed director of the Company at the date of this Notice.

Current Directors means the current directors of the Company at the date of this Notice.

Director Placement Options has the meaning in Section 5.

Director Placement Shares has the meaning in Section 5.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Indigo has the meaning in Section 3.

July Meeting has the meaning in Section 3.

July Notice has the meaning in Section 3.

Listing Rules means the listing rules of ASX.

Loyalty Option means an Option exercisable at \$0.35 on or before 30 September 2015 and otherwise on the terms and conditions in Schedule 1.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Performance Shares has the meaning in 5.1(l).

Placement has the meaning in Section 3.

Placement Option means an Option exercisable at \$0.35 on or before 30 September 2015 and otherwise on the terms and conditions in Schedule 1.

Placement Securities means the Placement Shares and Placement Options.

Placement Shares has the meaning in Section 3.

Projects has the meaning in Section 3.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Secondary Option means an Option exercisable at \$0.45 on or before 31 March 2017 and otherwise on the terms and conditions in Schedule 2.

Section means a section contained in this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Underwriter Option means an underwriter options as defined in the July Notice.

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 - Terms and Conditions of Placement Options and Loyalty Options

The general rights and liabilities attaching to Placement Options and Loyalty Options can be summarised as follows:

- (a) Each Placement Option and Loyalty Option entitles the holder to subscribe for and be allotted one ordinary share in the capital of the Company.
- (b) Each Placement Option and Loyalty Option has an exercise price of \$0.35 (**Exercise Price**) and an expiry date of 30 September 2015 (**Expiry Date**).
- (c) Each Placement Option and Loyalty Option is exercisable at any time after grant and on or prior to the Expiry Date.
- (d) For each Placement Option and Loyalty Option exercised prior to the Expiry Date the Company will grant one Secondary Option pursuant to a disclosure document to be lodged with ASIC on or about 30 September 2015.
- (e) Placement Options and Loyalty Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Placement Option or Loyalty Option being exercised. Any Notice of Exercise of an Placement Option or Loyalty Option received by the Company will be deemed to be a notice of the exercise of that Placement Option or Loyalty Option as at the date of receipt.
- (f) Shares will be allotted and issued pursuant to the exercise of Placement Options and Loyalty Options not more than 10 business days after receipt of a properly executed notice of exercise and payment of the requisite application moneys.
- (g) Shares issued upon exercise of the Placement Options and Loyalty Options will rank equally in all respects with the Company's then issued Shares. The Company will apply for Official Quotation by ASX of all Shares issued upon the exercise of Placement Options and Loyalty Options within 3 Business Days after the date of allotment of those Shares.
- (h) There are no participating rights or entitlements inherent in the Placement Options and Loyalty Options and holders will not be entitled to participate in new issues of capital offered or made to the Shareholders during the currency of the Placement Options and Loyalty Options. However, the Company will send a notice to each optionholder at least 10 business days before the record date for any proposed issue of capital. This will give optionholders the opportunity to exercise their Placement Options and/or Loyalty Options prior to the date for determining entitlements to participate in any such issue.
- (i) There are no rights to a change in the exercise price, or in the number of shares over which the Placement Options and Loyalty Options can be exercised, in the event of a bonus issue by the Company prior to the exercise of any Placement Options and Loyalty Options.
- (j) The Placement Options and Loyalty Options will be unlisted Options at the time of grant. However the Company reserves the right to apply for quotation of the Placement Options and Loyalty Options at such time as the Company in its absolute discretion determines. Should the Company make an application for official quotation of the Placement Options and Loyalty Options and the ASX accepts the application for quotation of the Options then the Placement Options and Loyalty Options will be listed options from the time that the ASX accepts such application.

- (k) Until the ASX accepts an application for quotation of the Placement Options and Loyalty Options then the Placement Options and Loyalty Options are transferable provided that the transfer of Options complies with section 707(3) of the Corporations Act.
- (l) Following the ASX accepting an application for quotation of the Placement Options and Loyalty Options then the Placement Options and Loyalty Options are freely transferable.
- (m) In the event of any re-organisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an option holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the re-organisation.
- (n) The Company will, at least 20 Business Days before the Expiry Date, send notices to the optionholders stating the name of the optionholder, the number of Placement Options and/or Loyalty Options held, the exercise price, and the consequences of non-payment.
- (o) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Placement Options or Loyalty Options with the appropriate remittance should be lodged at the Company's share registry.

Schedule 2 – Terms and Conditions of Secondary Options

The general rights and liabilities attaching to Secondary Options can be summarised as follows:

- (a) Each Secondary Option entitles the holder to subscribe for and be allotted one ordinary share in the capital of the Company.
- (b) For each Placement Option and Loyalty Option exercised prior to the relevant expiry date the Company will grant one Secondary Option pursuant to a disclosure document to be lodged with ASIC on or about 30 September 2015.
- (c) Each Secondary Option has an exercise price of \$0.45 (**Exercise Price**) and an expiry date of 31 March 2017 (**Expiry Date**).
- (d) Each Secondary Option is exercisable at any time after grant and on or prior to the Expiry Date.
- (e) Secondary Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Secondary Option being exercised. Any Notice of Exercise of a Secondary Option received by the Company will be deemed to be a notice of the exercise of that Secondary Option as at the date of receipt.
- (f) Shares will be allotted and issued pursuant to the exercise of Secondary Options not more than 10 business days after receipt of a properly executed notice of exercise and payment of the requisite application moneys.
- (g) Shares issued upon exercise of the Secondary Options will rank equally in all respects with the Company's then issued Shares. The Company will apply for Official Quotation by ASX of all Shares issued upon the exercise of Secondary Options within 3 Business Days after the date of allotment of those Shares.
- (h) There are no participating rights or entitlements inherent in the Secondary Options and holders will not be entitled to participate in new issues of capital offered or made to the Shareholders during the currency of the Secondary Options. However, the Company will send a notice to each optionholder at least 10 business days before the record date for any proposed issue of capital. This will give optionholders the opportunity to exercise their Secondary Options prior to the date for determining entitlements to participate in any such issue.
- (i) There are no rights to a change in the exercise price, or in the number of shares over which the Secondary Options can be exercised, in the event of a bonus issue by the Company prior to the exercise of any Secondary Options.
- (j) The Secondary Options will be unlisted Options at the time of grant. However the Company reserves the right to apply for quotation of the Secondary Options at such time as the Company in its absolute discretion determines. Should the Company make an application for official quotation of the Secondary Options and the ASX accepts the application for quotation of the Options then the Secondary Options will be listed options from the time that the ASX accepts such application.
- (k) Until the ASX accepts an application for quotation of the Secondary Options then the Secondary Options are transferable provided that the transfer of Options complies with section 707(3) of the Corporations Act.

- (l) Following the ASX accepting an application for quotation of the Secondary Options then the Secondary Options are freely transferable.
- (m) In the event of any re-organisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an option holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the re-organisation.
- (n) The Company will, at least 20 Business Days before the Expiry Date, send notices to the optionholders stating the name of the optionholder, the number of Secondary Options held, the exercise price, and the consequences of non-payment.
- (o) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Secondary Options with the appropriate remittance should be lodged at the Company's share registry.