



LAFAYETTE MINING LIMITED

ABN 88 076 390 451

Suite 1, Level 5,

189 Flinders Lane

Melbourne

Australia VIC 3000

Telephone: +61 (03) 9654 6044

Facsimile: +61 (03) 9654 6010

e-mail: info@lafayettemining.com

5 September 2003

The Manager
Company Announcements Office
Australian Stock Exchange
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Please find attached a notice of General Meeting.

Class Order

In accordance with ASIC Class Order 02/1180 the Company advises that there is no information to disclose of that kind that would be required to be disclosed under subsection 713(5) of the Corporations Act, if a prospectus were to be issued in reliance of section 713 in respect of the Placement referred to in this notice of meeting.

Yours faithfully

TIM HICKMAN
Company Secretary
Lafayette Mining Limited

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NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of the shareholders of Lafayette Mining Limited (the "Company") will be held at Suite 1, Level 5, 189 Flinders Lane, Melbourne at 2.30pm on 7th October 2003.

Information on the proposals to which the resolutions set out below relate to is contained in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.

AGENDA

SPECIAL BUSINESS

1. RESOLUTION 1 – RATIFICATION OF OPTION ISSUE

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

"That, for the purpose of ASX Listing Rule 7.4 and all other purposes, this meeting approves and ratifies the allotment and issue of 5,000,000 options each to purchase one fully paid ordinary share in the Company exercisable at a price of 10 cents per share to Standard Bank London Limited."

Notes:

- (1) The securities referred to in resolution 1 represent a facilitation fee to Standard Bank London Limited pursuant to the extension of a US\$3 million bridging finance facility from 1 July 2003 to 5 January 2004.
- (2) The securities were issued for nil consideration.
- (3) The terms and conditions of these options are outlined in Appendix A to this notice of meeting.
- (4) In accordance with Listing Rule 7.5.6, any votes cast on resolution 1 (other than (i) by a person as proxy for a member who is entitled to vote, in accordance with the directions on the relevant proxy form, or (ii) by the chairman of the meeting as an undirected proxy for a member who is entitled to vote) by Standard Bank London Limited or any associate of Standard Bank London Limited, or a person who might obtain a benefit (except a benefit solely in the capacity of a security holder) if the resolution is passed, will be disregarded.

2. RESOLUTION 2 – RATIFICATION OF SECURITIES ISSUE

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

"That, for the purpose of ASX Listing Rule 7.4 and all other purposes, this meeting approves and ratifies the allotment and issue of 41,849,600 fully paid ordinary shares in the Company at a price of 9.3 cents per share to a number of placees."

Notes:

- (1) The securities referred to in resolution 2 relate to the issue made on 3 September 2003 of 41,849,600 fully paid ordinary shares in the Company at a price of 9.3 cents per share. The shares rank from their date of allotment pari passu in all respects with all other ordinary shares in the Company on issue.
- (2) The shares will be issued to clients of Euroz Securities Limited and these clients are not related parties to the Company.
- (3) In accordance with Listing Rule 7.5.6, any votes cast on resolution 1 (other than (i) by a person as proxy for a member who is entitled to vote, in accordance with the directions on the relevant proxy form, or (ii) by the chairman of the meeting as an undirected proxy for a member who is entitled to vote) by any of the parties to whom shares were allotted, or their respective nominees or any associate

of theirs or their nominees, or a person who might obtain a benefit (except a benefit solely in the capacity of a security holder) if the resolution is passed, will be disregarded.

3. RESOLUTION 3 - ISSUE OF SECURITIES

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

“That, for the purposes of Australian Stock Exchange Ltd (“ASX”) Listing Rule 7.1, and all other purposes, this meeting approves and authorises the Directors to allot and issue to a number of placees 50,000,041 fully paid ordinary shares (“Shares”) in the capital of the Company at an issue price of 9.3 cents per Share.

Notes:

- (1) The securities referred to in resolution 3 relate to the second tranche of a placement announced on 2 September of 50,000,041 fully paid ordinary shares in the Company at a price of 9.3 cents per share. It is intended that these shares will be allotted within 3 months of the date of this General Meeting. The shares will rank from their date of allotment *pari passu* in all respects with all other ordinary shares in the Company on issue.
- (2) These securities will be issued to clients of Euroz Securities Limited who are not related parties to the Company. The basis of the allotment will be determined by the Directors of the Company.
- (3) In accordance with Listing Rule 7.3.8, any votes cast on resolution 1 (other than (i) by a person as proxy for a member who is entitled to vote, in accordance with the directions on the relevant proxy form, or (ii) by the chairman of the meeting as an undirected proxy for a member who is entitled to vote) by any person who may participate in the proposed issue or a person who might obtain a benefit (except a benefit solely in the capacity of a security holder) if the resolution is passed, or their respective nominees or any associate of theirs or their nominees, will be disregarded.

PROXIES

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

In accordance with section 250BA of the Corporations Act the Company specifies the following information for the purposes of receipt of proxy appointments:

Office: Suite 1, Level 5
189 Flinders Lane
MELBOURNE VIC 3000

Facsimile Number: (03) 9654-6010

Postal Address: Suite 1, Level 5
189 Flinders Lane
MELBOURNE VIC 3000

Each member entitled to vote at the general meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile).

The Company determines that ordinary shares held as at 2:30 pm on 5 October 2003 will be taken, for the purposes of the general meeting, to be held by the persons who held them at that time.

BY ORDER OF THE BOARD

A handwritten signature in cursive script, appearing to read "Tim Hickman".

Tim Hickman
Company Secretary

Dated: 5 September 2003

LAFAYETTE MINING LIMITED

ABN 88 076 390 451

EXPLANATORY MEMORANDUM TO SHAREHOLDERS TO ACCOMPANY NOTICE OF GENERAL MEETING

INTRODUCTION

This Memorandum has been prepared for the information of shareholders in Lafayette Mining Limited (referred to in this Memorandum as the "**Company**") in connection with the business to be conducted at the general meeting of the Company to be held at Suite 1, Level 5, 189 Flinders Lane, Melbourne at 2:30 pm on 7 October 2003.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

RESOLUTION 1 – RATIFICATION OF SECURITIES ISSUE

On 6 August 2003, the Company allotted 5,000,000 options each to purchase one ordinary share in the company at a price of 10 cents per share exercisable on or before 5 January 2006 to Standard Bank London Limited. These options were issued as part consideration for the extension of the maturity of the US\$3 million bridging loan facility.

These options were issued within the 15% annual limit permitted under Listing Rule 7.1 without shareholder approval. The effect of shareholders passing Resolution 1, therefore, will be to restore the Company's ability to issue shares (or options) within that limit, to the extent of the 5,000,000 options issued.

RESOLUTION 2 – RATIFICATION OF SECURITIES ISSUE

On 1 September 2003, the Company entered into a placement agreement with a number of placees to issue and allot 41,849,600 fully paid ordinary shares in the Company at a price of 9.3 cents per share to raise \$3.8 million.

As determined by the initial feasibility study, the estimated capital cost of the project inclusive of pre-stripping and pre-operating expenses is approximately US\$43 million. Development of the mine will be funded by a combination of shareholder equity, third party equity, subordinated debt and a traditional project loan. Early in 2003, Lafayette signed a Heads of Agreement with LGI International Corporation (LGI), the Korean multinational metals smelting and trading group, and KORES, the resource investment arm of the Korean government. Under this agreement, it is proposed that LGI and KORES will invest US\$10 million in equity and quasi equity in return for a 26 per cent project interest.

Lafayette has reached agreement with Leighton Asia Limited (Leighton) to undertake the construction of facilities. Construction is to be carried out under a two stage process. Lafayette have initially agreed a guaranteed maximum price contract with Leighton which mirrors that capital cost determined by the feasibility study, but during the initial phase of detailed engineering and construction (Phase A), 100 per cent of the savings derived through design and procurement efficiencies flow to Lafayette and, significantly, any cost increases are capped by the original contracted price.

These funds raised will be used to undertake Phase A of the construction programme which is budgeted at \$US1.6 million and which includes the final detailed design and equipment pricing and the development of infrastructure such as roads, port facilities, offices, workshops and accommodation required for the construction. The funds raised will also be utilised to settle an existing mineral right with original owners worth US\$ 750,000.

These shares were issued within the 15% annual limit permitted under Listing Rule 7.1 without shareholder approval. The effect of shareholders passing Resolution 2, therefore, will be to restore the Company's ability to issue shares (or options) within that limit, to the extent of the 41,849,600 shares issued.

RESOLUTION 3 – APPROVAL OF SECURITIES ISSUE

On 1 September 2003, the Company entered into a placement agreement with a number of places to issue and allot 50,000,041 fully paid ordinary shares in the Company at a price of 9.3 cents per share to raise \$4.6 million subject to shareholder approval at a general meeting. The funds will be used to retire the US\$3 million bridging loan held with Standard Bank London Limited. In the event that Standard Bank London Limited elect to exercise their prepayment right of conversion of the loan into ordinary shares, these funds will be applied against the capital cost of the project. This conversion option can only be exercised if Lafayette Mining Limited repay the loan prior to 5 January 2004.

These shares will be allotted subject to shareholder approval at this meeting. The effect of shareholders passing Resolution 3, therefore will not affect the Company's ability to issue shares (or options) within the 15% limit pursuant to listing rule 7.1.

Lafayette Mining Limited: 2003 General Meeting

Proxy Form

1 SHAREHOLDER

Name, address and daytime telephone number of shareholder of Lafayette Mining Limited.

Name

Address

Daytime phone no.

2 APPOINTS

Insert here the name of the person you wish to appoint as proxy; shareholders cannot appoint themselves. The Chairman of the meeting will act as your proxy if you do not appoint someone. It is the Chairman's intention to exercise undirected proxies in favour of each resolution. If you do **not** wish to direct your proxy how to vote, please place a mark in the box opposite. By marking this box you acknowledge that the Chairman may exercise the undirected proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

Name of proxy – please print
.....

You must either mark the boxes directing your proxy how to vote on each resolution or mark this box indicating that you do not wish to direct your proxy how to vote, otherwise this appointment of proxy form will be disregarded.

3 SIGNATURE OF SHAREHOLDER(S)

All single or joint holders of shares must sign this form.

Signature	Signature	Signature
Date	Date	Date

In the case of a company this must be executed by the company by its duly authorised officers in accordance with sub-section 127(1) of the Corporations Act 2001:

Director's signature

Director/Secretary signature.....

Print name.....

Print name.....

This proxy form must be signed by the shareholder and, in the case of joint shareholders, by each of the joint shareholders. In the case of a corporation, this proxy form must be executed in accordance with section 127 of the Corporations Act 2001. In the case of a Sole Director/Secretary company, please indicate "Sole Director". If this proxy form is signed under Power of Attorney the original Power of Attorney (or a copy certified as a true copy by statutory declaration) must be forwarded with the proxy form.

4 PROXY'S VOTING INSTRUCTIONS (OPTIONAL) ⇨

1. Ratification of options issue
2. Ratification of allotment of securities
3. Placement of new securities

FOR	AGAINST	ABSTAIN

If you wish to direct your proxy how to vote on any item, place a mark in the appropriate box. If a mark is placed in a box, your total shareholding will be voted in that manner. You may, if you wish, split your voting direction by inserting the number of shares you wish to vote in the appropriate box. The direction will be invalid if a mark is made against more than one box for a particular item, or, if you have split your direction, if the total shareholding shown in "FOR", "AGAINST" and "ABSTAIN" boxes is more than your total shareholding on the share register. Each person who attends the meeting is entitled to one vote only on a show of hands. A person who holds proxies for more than one shareholder cannot vote on a show of hands if he or she holds proxies directing him or her to vote both for and against a resolution.

5 APPOINTMENT OF A SECOND PROXY (OPTIONAL)

If you want to appoint two proxies you may state here the percentage of your voting rights applicable to this proxy form. If you do not specify a particular percentage, each proxy is entitled to exercise 50% of your voting rights applicable to this proxy form.

%

A shareholder is entitled to appoint up to two persons (whether shareholders or not) to attend the meeting and vote as proxies. If you wish to appoint two proxies please either photocopy the proxy form or telephone the Company Secretary on 03 9654 6010 to obtain a second form. Both forms should be completed with the nominated percentage of your voting rights on each form.

Important Information

Deadline for Receipt of proxies To be effective, a completed proxy form together with the power of attorney (if any) under which it is signed, must be received by the Company at its registered office not less than 48 hours before the appointed time of the General Meeting i.e. no later than 2.30pm on 5 October 2003.

Destination of Completed Proxy Form Once the Proxy Form is completed and all details checked by you, the form is to be sent or delivered to:

Office: Suite 1, Level 5
 189 Flinders Lane, MELBOURNE, VIC 3000

Facsimile Number: (03) 9654 6010

Postal Address: Suite 1, Level5
 189 Flinders Lane, MELBOURNE, VIC 3000

For Further Information If you need any further information about this form or attendance at the Company's General Meeting, please contact Mr Tim Hickman, Company Secretary on 03 9654 6044.

APPENDIX A

1. The option issue entitles Standard Bank London Limited (“SBL”) to subscribe for and be allotted fully paid ordinary shares in the capital of the Company at an issue price of 10 cents each.
2. The options are exercisable at any time prior to 5 January 2006 (the “**Expiry Date**”).
3. The options will expire at 5.00pm WST on the Expiry Date.
4. The options may be exercised at any time until the Expiry Date in whole, or in part. Exercise of part of the options does not prejudice SBL’s right to exercise the remainder of the options.
5. Shares to be issued on exercise of the options must be issued within 2 business days after receipt by the Company of an option exercise notice and the relevant issue price. The Company must enter SBL in its register of members within 5 business days after the issue of shares and dispatch a holding statement for shares within 10 business days after their issue.
6. No application will be made to ASX for quotation of the options.
7. Shares issued on exercise of the options will rank equally with the Company’s then existing fully paid ordinary shares. The Company must apply to ASX for quotation of the shares issued on exercise of the options within 3 business days after the issue of those shares and give all notices and make all filings required to be made with all relevant stock exchanges and securities regulatory authorities in connection with the exercise of the options by SBL.
8. The options may be transferred by SBL to any person permitted by the terms of the Facility Agreement dated 10 July 2000 (a “**Transferee**”) in whole or in part at any time prior to the Expiry Date. The instrument of transfer must be in writing, signed by both parties and must specify the number of options transferred and the date the transfer is to take place, in which case the provisions of these terms and conditions will apply to any transferee as if references to SBL were references to the relevant Transferee. A transfer of part of the options does not prejudice SBL’s right to transfer or exercise the rest of the options.
9. The Company must give at least 10 business days’ notice to SBL before the record date for any new issue of shares or other securities or any bonus issue of shares or other securities made or offered to the Company’s shareholders. This notice will give SBL the opportunity to exercise options prior to the record date for determining entitlements to participate in any relevant issue.
10. If at any time before the Expiry Date there is a bonus issue to the holders of the Company’s shares, the number of shares over which an option is exercisable will be increased by the number of shares which SBL would have received if the option had been exercised before the record date for that bonus issue.
11. The Company must not, at any time prior to the Expiry Date, without the prior written consent of SBL, undertake any form of capital reorganisation, alter its constitution or take action to restrict SBL’s opportunity to exercise the options. The Company must, at all times prior to the Expiry Date, act to ensure its solvency and use its best efforts to comply with applicable securities legislation.
12. The option holder has no rights to a change in the exercise price of the options, or a change to the number of underlying securities over which the options can be exercised.
13. If, prior to the earlier of the Expiry Date and the date on which all the options have been exercised, there is a re-organisation of the issued share capital of the Company, the options are to be treated in the manner set out in the ASX Listing Rules in force at the time of that re-organisation.