LAFAYETTE MINING LIMITED

ABN 88 076 390 451

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the shareholders of Lafayette Mining Limited will be held at the Cantala Room, Novotel Melbourne on Collins, 270 Collins Street, Melbourne, Victoria on Wednesday, 25 January 2006 at 10.30am.

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 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 76,670,000 fully paid ordinary shares in the Company at a price of 11 cents per share to a number of placees."

Notes:

(1) The securities referred to in resolution 1 relate to the issue made on 21 December 2005 of 76,670,000 fully paid ordinary shares in the Company at a price of 11 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 were issued to institutional and retail clients of ABN AMRO Morgans 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 a 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) 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.

2. RESOLUTION 2 – ISSUE OF SECURITIES

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

"That, for the purposes of ASX Listing Rule 7.1, and all other purposes, this meeting approves and authorises the Directors to allot and issue AuSelect Limited 18,181,818 fully paid ordinary shares ("Shares") in the capital of the Company at an issue price of 11 cents per Share.

Notes:

(1) The securities referred to in resolution 2 relate to a second tranche of the placement announced on 14 December 2005 of 18,181,818 fully paid ordinary shares in the Company at a price of 11 cents per share to AuSelect Limited. 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) In accordance with Listing Rule 7.3.8, any votes cast on resolution 2 (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 a 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) by AuSelect Limited, 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.

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).

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that ordinary shares held as at 10.30am on 23 January 2006 will be taken, for the purposes of the extraordinary general meeting, to be held by the persons who held them at that time.

BY ORDER OF THE BOARD

Tim Hickman
Company Secretary

Dated: 22 December 2005

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 extraordinary general meeting of the Company at the Cantala Room, Novotel Melbourne on Collins, 270 Collins Street, Melbourne, Victoria on Wednesday, 25 January 2006 at 10.30am.

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

RESOLUTION 1 – RATIFICATION OF SECURITIES ISSUE

On 16 December 2005, the Company entered into a placement agreement with a number of placees to issue and allot 76,670,000 fully paid ordinary shares in the Company at a price of 11 cents per share to raise $8.4 million. The placement was announced to the market on 14 December 2005.

As announced to the market on 1 December 2005, the Company does not expect to begin base metals production from its Rapu Rapu project until early 2006 and accordingly, there was a requirement to assess funding options for working capital purposes. The Board considered a number of options and concluded that an equity raising by private placement was the most appropriate mechanism to fund this working capital requirement given the market conditions and the requirement for funds from a timing perspective.

The proceeds raised will be used to fund the site operating costs as well as corporate commitments, until revenue from sales generated by the Rapu Rapu project exceeds expenditures, which is anticipated to occur around April 2006 following the commissioning of the base metals plant.

These shares issued were 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 76,670,000 shares issued.

RESOLUTION 2 – APPROVAL OF SECURITIES ISSUE

On 14 December 2005, the Company also announced that concurrent with the proposed placement of stock outlined above, the Company had entered into an agreement with AuSelect Limited to subscribe for 18,181,818 shares for an investment of $2million which was subject to shareholder approval at a general meeting.

The proceeds received from this investment will also be used for working capital for the Rapu Rapu Project and corporate purposes as outlined above.

These shares will be allotted subject to shareholder approval at this meeting. The effect of shareholders passing resolution 2, 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: 2006 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.

Name of proxy – please print

....

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.

☐

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) ⇨

	FOR	AGAINST	ABSTAIN
1. Ratification of allotment of securities			
2. Placement of new securities			

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 6044 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 10.30am on 23 January 2006.

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.