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**VOYAGER RESOURCES LIMITED**

**ABN 88 076 390 451**

**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY STATEMENT**

**PROXY FORM**

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**TIME:** 9:30 am (WST)

**DATE:** 23 November 2011

**PLACE:** Level 1, 33 Richardson Street  
West Perth, WA 6005

*This Notice of Annual General Meeting is an important document and requires your immediate attention. Please read it carefully. If you are in doubt as to what you should do, please consult your professional adviser.*

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

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The Annual General Meeting of the Shareholders of Voyager Resources Limited which this Notice of Annual General Meeting relates to will be held at 9:30 am (WST) on 23 November 2011 at:

Level 1, 33 Richardson Street  
West Perth, WA 6005

### VOTING IN PERSON

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

### VOTING BY PROXY

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

#### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

#### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Voyager Resources Limited will be held at Level 1, 33 Richardson Street, West Perth, Western Australia 6005 at 9:30 am (WST) on 23 November 2011.

The Explanatory Statement provides additional information on matters to be considered at the Annual 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 Annual General Meeting are those who are registered Shareholders of the Company on 21 November 2011 at 9:30 am (WST).

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

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## AGENDA

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### ORDINARY BUSINESS

#### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*"That for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial period ended 30 June 2011."*

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

**Voting Prohibition Statement:**

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

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

*However, a person described above may vote on this Resolution if:*

- (c) *the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and*
- (d) *the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.*

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#### 2. RESOLUTION 2 – RE-ELECTION OF A DIRECTOR – MR TIMOTHY FLAVEL

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

*"That, for the purposes of clause 3.6 of the Constitution and for all other purposes, Mr Timothy Flavel, being a Director of the Company who retires by rotation and, being eligible for re-election, is re-elected as a Director of the Company."*

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#### 3. RESOLUTION 3 – ISSUE OF DIRECTOR OPTIONS TO MR MATTHEW WOOD – RELATED PARTY

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

*"That, for the purpose of Section 208 of the Corporations Act 2001, ASX Listing Rule 10.11 and for all other purposes, approval be given for the Directors to allot and issue 20,000,000 Director Options exercisable at \$0.15 each on or before 31 December 2012 and 20,000,000 Director Options exercisable at \$0.30 each on or before 31 December 2014 to Mr Matthew Wood (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 Mr Matthew Wood (or his nominee) or any of his associates. However, 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.

**Voting Prohibition Statement:**

*A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:*

- (a) *the proxy is either:*

- (i) a member of the Key Management Personnel; or
- (ii) a Closely Related Party of such a member; and
- (b) *the appointment does not specify the way the proxy is to vote on this Resolution.*

*However, the above prohibition does not apply if:*

- (c) *the proxy is the Chair of the Meeting; and*
- (d) *the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

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#### 4. **RESOLUTION 4 – ISSUE OF DIRECTOR OPTIONS TO MR GEORGE TUMUR – RELATED PARTY**

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

*“That, for the purpose of Section 208 of the Corporations Act 2001, ASX Listing Rule 10.11 and for all other purposes, approval be given for the Directors to allot and issue 20,000,000 Director Options exercisable at \$0.15 each on or before 31 December 2012 and 20,000,000 Director Options exercisable at \$0.30 each on or before 31 December 2014 to Mr George Tumur (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 Mr George Tumur (or his nominee) or any of his associates. However, 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.

**Voting Prohibition Statement:**

*A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:*

- (a) *the proxy is either:*
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) *the appointment does not specify the way the proxy is to vote on this Resolution.*

*However, the above prohibition does not apply if:*

- (c) *the proxy is the Chair of the Meeting; and*
- (d) *the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

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#### 5. **RESOLUTION 5 – ISSUE OF DIRECTOR OPTIONS TO MR TIMOTHY FLAVEL – RELATED PARTY**

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

*“That, for the purpose of Section 208 of the Corporations Act 2001, ASX Listing Rule 10.11 and for all other purposes, approval be given for the Directors to allot and issue 20,000,000 Director Options exercisable at \$0.15 each on or before 31 December 2012 and 20,000,000 Director Options exercisable at \$0.30 each on or before 31 December 2014 to Mr Timothy Flavel (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 Mr Timothy Flavel (or his nominee) or any of his associates. However, 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.

**Voting Prohibition Statement:**

*A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:*

- (a) *the proxy is either:*
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) *the appointment does not specify the way the proxy is to vote on this Resolution.*

*However, the above prohibition does not apply if:*

- (c) *the proxy is the Chair of the Meeting; and*
- (d) *the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

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6. **RESOLUTION 6 – ISSUE OF DIRECTOR OPTIONS TO MR KELL NIELSEN – RELATED PARTY**

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

*“That, for the purpose of Section 208 of the Corporations Act 2001, ASX Listing Rule 10.11 and for all other purposes, approval be given for the Directors to allot and issue 20,000,000 Director Options exercisable at \$0.15 each on or before 31 December 2012 and 20,000,000 Director Options exercisable at \$0.30 each on or before 31 December 2014 to Mr Kell Nielsen (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 Mr Kell Nielsen (or his nominee) or any of his associates. However, 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.

**Voting Prohibition Statement:**

*A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:*

- (a) *the proxy is either:*
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) *the appointment does not specify the way the proxy is to vote on this Resolution.*

*However, the above prohibition does not apply if:*

- (c) *the proxy is the Chair of the Meeting; and*
- (d) *the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

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7. **RESOLUTION 7 – ISSUE OF DIRECTOR OPTIONS TO DR NICHOLAS LINDSAY – RELATED PARTY**

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

*“That, for the purpose of Section 208 of the Corporations Act 2001, ASX Listing Rule 10.11 and for all other purposes, approval be given for the Directors to allot and issue 10,000,000 Director Options exercisable at \$0.15 each on or before 31 December 2012 and 10,000,000 Director Options exercisable at \$0.30 each on or before 31 December 2014 to Dr Nicholas Lindsay (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 Dr Nicholas Lindsay (or his nominee) or any of his associates. However, 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.

**Voting Prohibition Statement:**

*A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:*

- (a) *the proxy is either:*
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) *the appointment does not specify the way the proxy is to vote on this Resolution.*

*However, the above prohibition does not apply if:*

- (c) *the proxy is the Chair of the Meeting; and*
- (d) *the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

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8. **RESOLUTION 8 – APPROVAL TO ISSUE 20,000,000 OPTIONS**

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 10,000,000 Options exercisable at \$0.15 each on or before 31 December 2012 and 10,000,000 Options exercisable at \$0.30 each on or before 31 December 2014 to an advisor 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 participate in the proposed issue, any person who might obtain a benefit from the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed) and any associates of those persons. However, the Company need not disregard a vote if 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.

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**9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES**

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 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 25,000,000 Shares on the terms and conditions set out in the Explanatory Statement”.*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a person who participated in the issue and any of their associates. However 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.

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**10. RESOLUTION 10 – APPROVAL TO ISSUE 100,000,000 FULLY PAID ORDINARY SHARES**

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 issue and allot 100,000,000 Shares 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, any person who might obtain a benefit from the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed) and any associates of those persons. However, the Company need not disregard a vote if 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.

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**11. RESOLUTION 11: APPROVAL OF EMPLOYEE SHARE OPTION PLAN**

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt the Employee Share Option Plan on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by any Director, other than any Director who is ineligible to participate in the Employee Share Option Plan, and any associates of those Directors. However, 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.

**Voting Prohibition Statement:**

*A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:*

- (a) *the proxy is either:*
  - (i) *a member of the Key Management Personnel; or*
  - (ii) *a Closely Related Party of such a member; and*
- (b) *the appointment does not specify the way the proxy is to vote on this Resolution.*

*However, the above prohibition does not apply if:*

- (c) *the proxy is the Chair of the Meeting; and*
- (d) *the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

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**12. RESOLUTION 12: AMENDMENT TO THE TERMS OF EXISTING DIRECTOR OPTIONS**

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 6.23.4 and for all other purposes, approval is given for an amendment to the terms of Director Options as set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by a person who holds an option that is the subject of the approval (or their nominee) or any of their associates. However, 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.

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**DATED: 21 OCTOBER 2011**

**BY ORDER OF THE BOARD**

**MR TIMOTHY FLAVEL  
EXECUTIVE DIRECTOR  
VOYAGER RESOURCES LIMITED**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at Level 1, 33 Richardson Street, West Perth, Western Australia 6005 at 9:30 am (WST) on 23 November 2011.

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.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial period ended 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at [www.voyagerresources.net](http://www.voyagerresources.net).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

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

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2012 annual general meeting. All of the Directors who were in office when the Company's 2012 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2011.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

#### 2.2 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or any Closely Related Party of that member as your proxy to vote on this Resolution 1, *you must direct the proxy how they are to vote*. Where you do not direct the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

#### 2.3 Definitions

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

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;



- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2011.

### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR- MR TIMOTHY FLAVEL

Clause 3.6 of the Constitution of the Company provides that at each annual general meeting one third of the Directors, or if their number is not a multiple of three, then the number nearest to but not more than one third of the directors must retire from office. A retiring director is eligible for re-election.

The Company currently has five Directors and accordingly one must retire.

Mr Timothy Flavel retires in accordance with the Constitution and, being eligible for re-election, offers himself for re-election at the Annual General Meeting.

### 4. RESOLUTIONS 3, 4, 5, 6 AND 7 – ISSUE OF DIRECTOR OPTIONS

#### 4.1 General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 180,000,000 Options (**Director Options**) to Messrs Wood, Tumur, Flavel, Nielsen and Lindsay (**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 Wood, Tumur, Flavel, Nielsen and Lindsay 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.

#### 4.2 Trading Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are quoted on the ASX. The highest, lowest and most recent market sale prices of the Company's securities on the ASX in the 12 months before the date of this Notice is set out below:

Highest:	\$0.134 on 18 February 2011
Lowest:	\$0.031 on 6 December 2010
Last:	\$0.099 on 17 October 2011

#### 4.3 Shareholder Approvals Required – Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided to allow Shareholders to assess the proposed grant of the Director Options:

- (a) the related parties are Messrs Wood, Tumur, Flavel, Nielsen and Lindsay who 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) 40,000,000 Director Options to Mr George Tumur;
  - (ii) 40,000,000 Director Options to Mr Matthew Wood;
  - (iii) 40,000,000 Director Options to Mr Kell Nielsen;
  - (iv) 40,000,000 Director Options to Mr Timothy Flavel; and
  - (v) 20,000,000 Director Options to Dr Nicholas Lindsay;

- (c) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised from the grant of the Director Options;
- (d) the Director Options will be granted to the Directors no later than 1 month after the date of the meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Director Options will be issued on one date;
- (e) the terms and conditions of the Director Options exercisable at \$0.15 each on or before 31 December 2012 are set out in Schedule 1 and the terms and conditions of the Director Options exercisable at \$0.30 each on or before 31 December 2014 are set out in Schedule 2;
- (f) the value of the Director Options and the pricing methodology for the Director Options exercisable at \$0.15 each on or before 31 December 2012 is set out in Schedule 4 and the value of the Director Options and the pricing methodology for the Director Options exercisable at \$0.30 each on or before 31 December 2014 is set out in Schedule 5;
- (g) the relevant interests of the Related Parties in securities of the Company are set out below;

Related Party	Shares	Options
Mr Matthew Wood	35,321,545	-
Mr George Tumur	6,119,663	10,000,000 <sup>1</sup>
Mr Timothy Flavel	16,750,000	-
Mr Kell Nielsen	10,966,667	20,000,000 <sup>2</sup>
Dr Nicholas Lindsay	13,142,858	-

<sup>1</sup> Options exercisable at 2 cents each on or before 30 June 2012 (vesting on the achievement of one million ounces of gold in JORC classification). The terms and conditions of these Options are set out in Schedule 3.

<sup>2</sup> 10,000,000 Options exercisable at \$0.02 each on or before 30 June 2012 (vesting on the achievement of one million ounces of gold in JORC classification) and 10,000,000 Options exercisable at \$0.04 each on or before 30 June 2012 (vesting on the achievement of two million ounces of gold in JORC classification). The terms and conditions of these Options are set out in Schedule 3.

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

Related Party	Current Financial Year	Previous Financial Period <sup>1</sup>
Mr Matthew Wood	\$30,000	\$97,460
Mr George Tumur	\$21,506	\$178,026
Mr Timothy Flavel	\$24,000	\$84,000
Mr Kell Nielsen	\$25,000	\$206,570
Dr Nicholas Lindsay	\$7,500	\$30,000

<sup>1</sup>Previous financial period includes the market value of options granted but not vested of \$144,036 for Messrs Tumur and Nielsen.

- (i) if the Director Options granted to the Related Parties are exercised, a total of 180,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 1,239,121,562 to 1,419,121,562 (assuming that no other Options are exercised and no Shares other than those contemplated by the Resolutions of this Notice are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 12.68% comprising 2.82% by each of Messrs Tumur, Wood, Nielsen and Flavel and 1.41% by Dr Lindsay.
- (j) The market price for Shares during the term of the Director Options would normally determine whether or not the 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; information on the trading history of the Shares on ASX in the past 12 months is set out in Section 4.2 above;
- (k) the primary purpose of the issue of the Director Options is to provide an incentive to the related parties to deliver share price growth to shareholders through the successful exploration and development of the Company's projects. Given this purpose and bearing in mind the exercise price and terms of the Director Options, the Directors do not consider that there are any significant opportunity costs to the Company or benefits forgone by the Company in issuing the Director Options upon the terms proposed;
- (l) the Board acknowledges that the grant of the Director Options to Dr Nicholas Lindsay is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of the Director Options to Dr Nicholas Lindsay 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) Mr Matthew Wood declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 4 to 7, Mr Matthew Wood recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the grant of Director Options to the Related Parties, in particular the vesting conditions of the Director Options will align the interests of the Related Parties with those of Shareholders;

- (ii) the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations that it would if alternative cash forms of remuneration were given to the Related Parties; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Options upon the terms proposed;
- (n) Mr George Tumur declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolution 3 and Resolutions 5 to 7, Mr George Tumur recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (m)(i), (ii) and (iii) above;
- (o) Mr Timothy Flavel declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 3 to 4 and Resolutions 6 to 7, Mr Timothy Flavel recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (m)(i), (ii) and (iii) above;
- (p) Mr Kell Nielsen declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 3 to 5 and Resolution 7, Mr Kell Nielsen recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (m)(i), (ii) and (iii) above;
- (q) Dr Nicholas Lindsay declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 3 to 6, Dr Nicholas Lindsay recommends that Shareholders vote in favour of those Resolutions for the reasons set out in subparagraphs (m)(i), (ii) and (iii) above;
- (r) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price, vesting conditions and expiry date of those Director Options;
- (s) the Board 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 Resolutions 3 to 7.

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.

## 5. RESOLUTION 8 – APPROVAL TO ISSUE 20,000,000 OPTIONS

### 5.1 General

Resolution 8 seeks Shareholder approval for the allotment and issue of 20,000,000 Options to CPS Securities (or its nominee) in lieu of corporate fees for corporate advisory work, marketing and promotion of the Company in Mongolia, Hong Kong, Singapore and Australia on an ongoing basis to new and existing clients (**Option Approval**).

The subscriber pursuant to this issue is not a related party of the Company.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions or the prior approval of members of the company in general meeting having been obtained, 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.

### 5.2 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Approval:

- (a) The number of options to be issued and allotted is 10,000,000 Options exercisable at \$0.15 each on or before 31 December 2012 and 10,000,000 Options exercisable at \$0.30 each on or before 31 December 2014;
- (b) the 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 Options will be issued for nil consideration;
- (d) the Options will be allotted and issued to CPS Securities (or its nominee) who is not a related party of the Company;
- (e) the Options exercisable at \$0.15 each on or before 31 December 2012 will be issued on the same terms and conditions as the Director Options set out in Schedule 1 and the Options exercisable at

\$0.30 each on or before 31 December 2014 will be issued on the same terms and conditions as the Director Options set out in Schedule 2; and

- (f) no funds will be raised from this issue.

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## **6. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF SHARES**

### **6.1 General**

On 3 May 2011, the Company entered into an agreement to acquire up to 80% of the KM Copper Project in the Gobi Region of Mongolia (**Acquisition**). Upon transfer of the relevant licences, the Company issued Mr. Gandush Batmunkh 25,000,000 Shares in part consideration for the Acquisition. The subscriber pursuant to this issue was not a related party of the Company.

Resolution 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **6.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 25,000,000 Shares were allotted;
- (b) the deemed issue price was \$0.0864 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to Mr. Gandush Batmunkh, who is not a related party of the Company; and
- (e) no funds were raised from this issue as the Shares were issued in consideration for the Acquisition.

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## **7. RESOLUTION 10 – APPROVAL TO ISSUE 100,000,000 FULLY PAID ORDINARY SHARES**

### **7.1 Background**

On 3 May 2011, the Company entered into an agreement to acquire up to 80% of the KM Copper Project in the Gobi Region of Mongolia (**Acquisition**). Upon completion of 10,000 metres of drilling on the KM Copper Project, the Company will issue Mr. Gandush Batmunkh 100,000,000 Shares in part consideration for the Acquisition. The subscriber pursuant to this issue is not a related party of the Company.

Resolution 10 seeks shareholder approval pursuant to ASX Listing Rule 7.1 for the allotment and issue of those Shares on part consideration for the Acquisition.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolution 10 will be to allow the Directors to issue the Shares in part consideration for the Acquisition during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **7.2 Regulatory requirements**

Pursuant to and in accordance with Listing Rule 7.3, Shareholders are advised as follows:

- (a) The maximum number of Shares to be issued and allotted is 100,000,000;
- (b) the Shares 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 deemed issue price of the Shares is \$0.06 per Share;
- (d) the Shares will rank pari passu in all respects with the Company's existing Shares;
- (e) the Shares will be allotted and issued to Mr. Gandush Batmunkh, who is not a related party of the Company, pursuant to the terms of the Acquisition; and

- (f) no funds will be raised from this issue as the Shares are to be issued in part consideration for the Acquisition.

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## 8. RESOLUTION 11 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

### 8.1 Background

To ensure that the Company has appropriate mechanisms to continue to attract, motivate and retain the services of employees of a high calibre, the Board considers that it is appropriate to adopt a new employee share option plan (ESOP).

### 8.2 Regulatory requirements

Resolution 11 seeks Shareholder approval under exception 9(b) of ASX Listing Rule 7.2 to allow the grant of Options and the issue of Shares on the exercise of such options under the ESOP as an exception to ASX Listing Rule 7.1.

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

Exception 9(b) of ASX Listing Rule 7.2 provides that a company may make an issue of securities under an employee incentive scheme (such as the ESOP) if, within three years before the date of issue, holders of ordinary securities in the company have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 11 is passed, the Company will have the ability to issue Options to eligible participants under the ESOP over a period of three years without impacting on the Company's 15% placement capacity under ASX Listing Rule 7.1.

The Directors and employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the ESOP is an appropriate method to:

- (a) reward Directors and employees for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate Directors and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable Directors and employees.

The ESOP will be used as part of the remuneration planning for executive Directors and employees. The Corporate Governance Council Guidelines recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the company's circumstances and goals. The ESOP will also be used as part of the remuneration planning for non-executive Directors. Although this is not in accordance with the recommendations contained in the Corporate Governance Council Guidelines, the Company considers that it is appropriate for non-executive Directors to participate in the ESOP given the size of the Company.

No securities have yet been issued under the ESOP.

The key terms of the ESOP are summarised in Section 8.3 below. A full copy of the ESOP is available for inspection at the Company's registered office until the date of the Meeting.

### 8.3 Summary of the ESOP

The material terms of the Plan can be summarised as follows:

- (a) **Eligible Participants**  
Means full or part time employees of the Company or an Associated Body Corporate (**Eligible Participants**).
- (b) **Purpose of the ESOP**  
The purpose of the ESOP is to provide an incentive to encourage participation by Eligible Participants in the Company through Share ownership and to attract, motivate and retain Eligible Participants.
- (c) **Offer of Rights**  
When an Eligible Participant satisfies specified criteria imposed by the Board (including performance criteria and specified periods of tenure) the Board may make a written offer (**Offer**) to the Eligible Participant of Options. The Offer will specify the number of Options being offered and the conditions that must be met by the Eligible Participant before the Options will vest.
- (d) **Number of Options Offered**  
The number of Options that will be offered to an Eligible Participant pursuant to an Offer is entirely within the discretion of the Directors. Each Option will, upon vesting, entitle the holder to one (1) share in the capital of the Company.

- (e) Vesting Conditions  
The Options will not vest unless the vesting conditions imposed by the Board have been satisfied.
- (f) Exercise Price  
The exercise price of any Option offered to an Eligible Participant shall be at the absolute discretion of the Board but may not be less than the minimum price specified in the Listing Rules.
- (g) Lapse of Options  
Rights that have not vested will lapse on the second anniversary of the date of grant of the Option or such later date as agreed by the Board.  
The Options will immediately lapse where:
- (i) the Eligible Participant ceases to be an employee or director of, or to render services to, the Company or its Related Bodies Corporate;
  - (ii) the exercise conditions are unable to be met; or
  - (iii) the lapsing date has passed.
- (h) Shares Allotted Upon Exercise of Options  
The Company will issue or transfer shares to the Eligible Participant as soon as practicable after the exercise of any Options. The shares allotted under the ESOP will be of the same class and will rank equally with shares in the Company at the date of issue.  
The Company will seek listing of the new shares on ASX within the time required by the ASX Listing Rules.
- (i) Transfer of Options  
An Option issued under the ESOP is not transferable without the consent of the Board.
- (j) Takeover, Scheme or Arrangement  
Where:
- (i) a notice of meeting is despatched to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to Section 411 of the Corporations Act;
  - (ii) an announcement of a takeover bid is made or a bidder's statement for a bid is received by the Company;
  - (iii) the date upon which a person or group of associated persons becomes entitled, subsequent to the date of grant of the relevant Options, to sufficient Shares to give them the ability, in general meeting, to replace all or a majority of the Board in circumstances where such an ability was not already held by that person,
- then the Directors may determine that the Options may be exercised at any time from that date, and in any number until the date determined by the Board acting bona fide so as to permit the holder to participate in any change of control, or to use their reasonable endeavours to procure that an offer is made to holders of the Options on like terms to the terms proposed under the change of control event.
- (k) Bonus Issues, Rights Issues and Capital Reconstruction  
In order to prevent a reduction of the number of shares to which the Rights relate in the event of bonus issues, rights issues or a capital reconstruction, there are provisions in the rules which provide a method of adjustment of the number of Rights to prevent such a reduction.
- (l) Participation in New Issues  
There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new shares of capital offered to shareholders during the currency of the Options. In addition holders of the Options will not be entitled to vote or receive dividends as a result of their holding of Options.

## **9. RESOLUTION 12 – AMENDMENT TO THE TERMS OF EXISTING DIRECTOR OPTIONS**

### **9.1 BACKGROUND**

On 8 September 2009, the Company issued 30,000,000 Options to Directors of the Company as consideration for the identification and development of suitable gold exploration projects. The Options issued are subject to significant vesting conditions which included the identification of JORC compliant gold resources. The terms and conditions of these Options are set out in Schedule 3.

The Options are to vest as follows:

- (i) 20,000,000 Options exercisable at \$0.02 each on or before 30 June 2012 vesting on the achievement of one million ounces of gold to JORC classification on any gold project controlled by the Company (**Tranche 1 Options**); and
- (ii) 10,000,000 Options exercisable at \$0.04 each on or before 30 June 2012 vesting on the achievement of two million ounces of gold (attributable to the Company) to JORC classification with a minimum of one million ounces being classified as Measured and Indicated on any gold project controlled by the Company (**Tranche 2 Options**).

Resolution 12 seeks Shareholder approval pursuant to ASX Listing Rule 6.23.4 to amend the terms of these Options to provide that the Options will vest as follows (the "**Proposed Amendment**");

- (i) 20,000,000 Options exercisable at \$0.02 each on or before 30 June 2012 vesting on the achievement of one million ounces of gold equivalent to JORC classification on any project controlled by the Company (**Tranche 1 Options**); and
- (ii) 10,000,000 Options exercisable at \$0.04 each on or before 30 June 2012 vesting on the achievement of two million ounces of gold equivalent (attributable to the Company) to JORC classification with a minimum of one million ounces being classified as Measured and Indicated on any project controlled by the Company (**Tranche 2 Options**).

The effect of this Resolution is to recognise the Company's focus on projects other than pure gold projects and achieving JORC compliant resources on targets other than gold.

ASX Listing Rule 6.23.4 provides that a company must obtain Shareholder approval to make a change to the terms of options which is not prohibited under ASX Listing Rule 6.23.3. ASX Listing Rule 6.23.3 prohibits a change to the terms of options which has the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise.

The Proposed Amendment is not prohibited under ASX Listing Rule 6.23.3. The effect of Resolution 12 will be to allow the Proposed Amendment to the terms of the Director Options.

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## 10. ENQUIRIES

Shareholders are required to contact the Company Secretary on +61 8 9200 6264 if they have any queries in respect of the matters set out in these documents.

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**SCHEDULE 1 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS - \$0.15**

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The Director Options entitle the holder to subscribe for ordinary fully paid shares in the capital of the Company on the following terms and conditions:

- (a) The Director Options will expire at 5.00pm (WST) on 31 December 2012 (**Expiry Date**). Any Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) Each Director Option gives the Option holder the right to subscribe for one Share. To obtain the right given by each Director Option, the Option holder must exercise the Director Options in accordance with the terms and conditions of the Director Options.
- (c) The exercise price payable upon exercise of each Director Option will be \$0.15 Australian (**Exercise Price**).
- (d) Once the Director Options are exercisable the Director Options may be exercised at any time prior to the Expiry Date, from time to time.
- (e) An Option holder may exercise their Director Options by lodging with the Company, before the Expiry Date:
  - (f) a written notice of exercise of Director Options specifying the number of Director Options being exercised; and
  - (g) a cheque or electronic funds transfer for the Exercise Price for the number of Director Options being exercised;
- (f) **(Exercise Notice)**.
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 5 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.
- (j) All Shares allotted upon the exercise of Director Options will upon allotment rank pari passu in all respects with other Shares.
- (k) The Company will not apply for quotation of the Director Options on ASX. However, the Company will apply for quotation by ASX of all Shares allotted pursuant to the exercise of Director Options within 10 Business Days after the date of allotment of those Shares.
- (l) In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company before the expiry of any Director Options, the number of Options to which an Director Option holder is entitled or the Exercise Price of the Director Options or both will be reconstructed (as appropriate) in accordance with the Listing Rules.
- (m) A Director Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director Option can be exercised.
- (n) 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 the proposed issue notice of the new issue will be given to optionholders at least ten (10) Business Days before the record date. This will give optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
- (o) **Change of Control:** Notwithstanding any other terms and conditions, all Director Options shall vest and may be exercised:
  - (i) during a bid period (as defined in the Corporations Act) following a bidder acquiring a relevant interest of greater than 50% of the Company's shares and the bid having been declared unconditional;
  - (ii) at any time after a Change in Control Event (being a shareholder, or a group of associated shareholders, becoming entitled to sufficient shares in the Company to give it or them the ability and that ability is successfully exercised, in a general meeting, to replace all or a member of the board) has occurred; or
  - (iii) on an application under Section 411 of the Corporations Act if a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other Company.



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## SCHEDULE 2 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS - \$0.30

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The Director Options entitle the holder to subscribe for ordinary fully paid shares in the capital of the Company on the following terms and conditions:

- (a) The Director Options will expire at 5.00pm (WST) on 31 December 2014 (**Expiry Date**). Any Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (b) Each Director Option gives the Option holder the right to subscribe for one Share. To obtain the right given by each Director Option, the Option holder must exercise the Director Options in accordance with the terms and conditions of the Director Options.
- (c) The exercise price payable upon exercise of each Director Option will be \$0.30 Australian (**Exercise Price**).
- (d) Once the Director Options are exercisable the Director Options may be exercised at any time prior to the Expiry Date, from time to time.
- (e) An Option holder may exercise their Director Options by lodging with the Company, before the Expiry Date:
  - (f) a written notice of exercise of Director Options specifying the number of Director Options being exercised; and
  - (g) a cheque or electronic funds transfer for the Exercise Price for the number of Director Options being exercised;
- (f) **(Exercise Notice)**.
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 5 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.
- (j) All Shares allotted upon the exercise of Director Options will upon allotment rank pari passu in all respects with other Shares.
- (k) The Company will not apply for quotation of the Director Options on ASX. However, the Company will apply for quotation by ASX of all Shares allotted pursuant to the exercise of Director Options within 10 Business Days after the date of allotment of those Shares.
- (l) In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company before the expiry of any Director Options, the number of Options to which an Director Option holder is entitled or the Exercise Price of the Director Options or both will be reconstructed (as appropriate) in accordance with the Listing Rules.
- (m) A Director Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director Option can be exercised.
- (n) 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 the proposed issue notice of the new issue will be given to optionholders at least ten (10) Business Days before the record date. This will give optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
- (o) **Change of Control:** Notwithstanding any other terms and conditions, all Director Options shall vest and may be exercised:
  - (i) during a bid period (as defined in the Corporations Act) following a bidder acquiring a relevant interest of greater than 50% of the Company's shares and the bid having been declared unconditional;
  - (ii) at any time after a Change in Control Event (being a shareholder, or a group of associated shareholders, becoming entitled to sufficient shares in the Company to give it or them the ability and that ability is successfully exercised, in a general meeting, to replace all or a member of the board) has occurred; or
  - (iii) on an application under Section 411 of the Corporations Act if a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other Company.

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**SCHEDULE 3 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS - \$0.02 & \$0.04**

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The Director Options entitle the holder to subscribe for ordinary fully paid shares in the capital of the Company on the following terms and conditions:

- a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- b) The Options will expire at 5:00 pm (WST) on the 30 June 2012 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- c) Each option will lapse:
  - i). immediately after the holder ceases to be an employee of the Company if he resigns within two years from the date of issue of the Options; or
  - ii). at the expiration of 60 days after the holder ceases to be an employee or consultant of the Company by reason of death or dismissal for redundancy of the holder
- d) The amount payable upon exercise of each Option will be \$0.02 (Tranche 1) and \$0.04 (Tranche 2) (**Exercise Price**).
- e) The 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.
- f) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
  - i). a written notice of exercise of Options specifying the number of Options being exercised; and
  - ii). a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised (**Exercise Notice**);
- g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- h) 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 Options specified in the Exercise Notice.
- i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- j) The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of 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 Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

#### SCHEDULE 4 – VALUATION OF DIRECTOR OPTIONS - \$0.15

The Director Options to be issued to the Related Party pursuant to Resolutions 3 -7 (inclusive) have been valued by internal management. Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Director Options were ascribed a value range, as follows:

	Valuation	Sensitivity Analysis		
Number of Director Options	90,000,000			
Share Price	\$0.073	\$0.05	\$0.10	\$0.12
Indicative value per Director Option	\$0.0168	\$0.0074	\$0.0312	\$0.047
Value of Director Options	\$1,515,228	\$670,316	\$2,811,198	\$4,225,785
Assumptions:				
Valuation Date	29/09/2011	29/09/2011	29/09/2011	29/09/2011
Exercise Price	\$0.15	\$0.15	\$0.15	\$0.15
Expiry Date	31/12/2012	31/12/2012	31/12/2012	31/12/2012
Volatility	96%	96%	96%	96%
Risk free interest rate	4.89%	4.89%	4.89%	4.89%

NB: No discount has been applied in relation to the valuation to account for the vesting conditions of the Director Options. 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.

#### SCHEDULE 5 – VALUATION OF DIRECTOR OPTIONS - \$0.30

The Director Options to be issued to the Related Party pursuant to Resolutions 3 -7 (inclusive) have been valued by internal management. Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Director Options were ascribed a value range, as follows:

	Valuation	Sensitivity Analysis		
Number of Director Options	90,000,000			
Share Price	\$0.073	\$0.05	\$0.10	\$0.12
Indicative value per Director Option	\$0.0265	\$0.0146	\$0.0426	\$0.0590
Value of Director Options	\$2,386,771	\$1,313,485	\$3,835,342	\$5,306,442
Assumptions:				
Valuation Date	29/09/2011	29/09/2011	29/09/2011	29/09/2011
Exercise Price	\$0.30	\$0.30	\$0.30	\$0.30
Expiry Date	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Volatility	96%	96%	96%	96%
Risk free interest rate	4.89%	4.89%	4.89%	4.89%

NB: No discount has been applied in relation to the valuation to account for the vesting conditions of the Director Options. 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.

#### GLOSSARY

\$ means Australian dollars.

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

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules or Listing Rules** means the Listing Rules of ASX.

**Board** means the 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 Voyager Resources Limited (ABN 88 076 390 451).

**Constitution** means the Company's constitution.

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

**Director Option** means an Option granted pursuant to Resolutions 3 to 7 (inclusive) with the terms and conditions set out in Schedule 1 or Schedule 2 as the case may be.

**Directors** mean the current directors of the Company.

**Explanatory Statement** means the explanatory statement to the Notice.

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

**Option** means an option to acquire a Share.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a share in the Company.

**Shareholder** means a shareholder in the Company.

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

**VOYAGER RESOURCES LIMITED ACN 076 390 451**  
**ANNUAL GENERAL MEETING - APPOINTMENT OF PROXY**

I/We

of

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

Appoint

Name of proxy

OR

☐

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at 9.30 am (WST), on 23 November 2011 at Level 1, 33 Richardson Street, West Perth, Western Australia, and at any adjournment thereof.

Important for Resolution 1: If the Chair of the Meeting or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or a Closely Related Party of that member is your proxy and you have not directed the proxy to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chair, another member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or Closely Related Party of that member is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.

☐

If the Chair of the Annual 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 **Resolutions 3 to 7 and 11 and 12** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 3 to 7 and 11 and 12 and that votes cast by the Chair of the Annual General Meeting for Resolutions 3 to 7 and 11 and 12 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 Resolutions 3 to 7 and 11 and 12 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 3 to 7 and 11 and 12.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

OR

**Voting on Business of the Annual General Meeting**

Resolution 1	Adoption of Remuneration Report
Resolution 2	Re-Election of a Director – Timothy Flavel
Resolution 3	Issue of Director Options to Related Party –Matthew Wood
Resolution 4	Issue of Director Options to Related Party – George Tumur
Resolution 5	Issue of Director Options to Related Party – Timothy Flavel
Resolution 6	Issue of Director Options to Related Party – Kell Nielsen
Resolution 7	Issue of Director Options to Related Party – Nicholas Lindsay
Resolution 8	Approval to Issue 20,000,000 Options
Resolution 9	Ratification of Prior Issue of Shares
Resolution 10	Approval to Issue 100,000,000 Fully Paid Ordinary Shares
Resolution 11	Approval of Employee Share Option Plan
Resolution 12	Amendment to the Terms of Existing Director Options

**FOR** **AGAINST** **ABSTAIN**

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

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

Signature of Member(s):

Date: \_\_\_\_\_

Individual or Member 1

Member 2

Member 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: \_\_\_\_\_ Contact Ph (daytime): \_\_\_\_\_

**VOYAGER RESOURCES LIMITED**  
**ABN 88 076 390 451**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion 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. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) deliver the proxy form by hand to the Company's registered office at Level 1, 33 Richardson Street, West Perth, Western Australia;
  - (b) mail the proxy form to the Company's registered office at PO Box 826 West Perth, Western Australia, 6872; or
  - (c) send the proxy form by facsimile to the Company on facsimile number +61 8 9200 4469,so that it is received not later than 48 hours before the commencement of the meeting.

**Proxy forms received later than this time will be invalid.**