

**MINEMAKERS LIMITED**  
**ABN 48 116 296 541**

**NOTICE OF ANNUAL GENERAL MEETING**  
**AND**  
**PROXY FORM**

**Date of Meeting**  
**28 November 2007**

**Time of Meeting**  
**9:30 am**

**Place of Meeting**  
**The Celtic Club**  
**48 Ord Street**  
**WEST PERTH WA**

**MINEMAKERS LIMITED**  
**ABN 48 116 296 541**  
**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 2007 Annual General Meeting of shareholders of Minemakers Limited ("**Company**") will be held at the Celtic Club 48 Ord Street, West Perth WA on 28 November 2007 at 9:30 am for the purpose of transacting the following Business.

**ORDINARY BUSINESS**

**2007 Financial Statements**

To receive the financial statements of the Company for the year ended 30 June 2007, consisting of the Annual Financial Report, the Directors' Report and Auditor's Report.

**Resolution 1 – Election of Richard O'Shannassy as a Director**

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

*"That Richard O'Shannassy having been appointed as a director of the Company since the last meeting be elected a director of the Company."*

Pursuant to the Company's Constitution, any Director appointed during the year holds office until the next annual general meeting of the Company and is then eligible for re-election.
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**Resolution 2 – Re-election of Edward (Ted) Ellyard as a Director**

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

*"That Edward (Ted) Ellyard having retired as a director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election be re-elected a director of the Company."*

Pursuant to the Company's Constitution, one-third of the directors of the Company (other than the managing director) must retire at each annual general meeting and being eligible may offer themselves for re-election.
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**Resolution 3 – Remuneration Report**

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

*"That the Remuneration Report forming part of the Company's 2007 Annual Report be adopted."*

Section 250R of the Corporations Act requires a listed company to put to shareholders at each annual general meeting a resolution adopting the report on the remuneration of the company's directors, executives and senior managers included in the company's annual report. The above resolution is being proposed to comply with this requirement. The vote on this resolution is advisory and does not bind the company's directors.
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A reasonable opportunity will be provided for discussion of the remuneration report at the annual general meeting.
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## **NOTICE OF ANNUAL GENERAL MEETING**

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### **Resolution 4 – Approval of Grant of Options to Directors**

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

*“That for the purpose of Listing Rule 10.11 of the ASX the issue of 11,500,000 options to acquire ordinary fully paid shares in the capital of the Company at an exercise price of 50 cents and expiring on 31 December 2010, and otherwise on the terms and conditions outlined in Annexure A, to Directors or their nominees for nil consideration be and is hereby approved.”*

1. The options issued under Resolution 4 will be issued to each of the directors or his nominee in accordance with the terms and conditions outlined in Annexure A;
2. The Directors or their nominees will be issued 11,500,000 options for no issue price;
3. The options will be granted within one month of the date of this meeting;
4. A summary of the terms and conditions is set out in the attached Explanatory Memorandum;
5. Shares issued as a result of the exercise of the options will rank pari passu with ordinary shares in the Company;
6. No funds will be raised as a result of the grant of the options; and
7. The Company will, in accordance with section 224 of the Corporations Act 2001 (Cth), disregard any votes cast on Resolution 4 by Directors and any associates of 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 a 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.

### **Resolution 5 – Approval of Grant of Options to Company Secretary**

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

*“That for the purpose of Listing Rule 7.1 of the ASX the issue of 1,000,000 options to acquire ordinary fully paid shares in the capital of the Company at an exercise price of 50 cents and expiring on 31 December 2010, and otherwise on the terms and conditions outlined in Annexure A, to John Ribbons or his nominee for nil consideration be and is hereby approved.”*

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1. The options issued under Resolution 5 will be issued to John Ribbons or his nominee in accordance with the terms and conditions outlined in Annexure A;
2. John Ribbons or his nominee will be issued 1,000,000 options for no issue price;
3. The options will be granted within three months of the date of this meeting;
4. A Summary of the terms and conditions are set out in the attached Explanatory Memorandum;
5. Shares issued as a result of the exercise of the options will rank pari passu with ordinary shares in the Company;
6. No funds will be raised as a result of the grant of the options; and
7. The Company will, in accordance with section 224 of the Corporations Act 2001 (Cth), disregard any votes cast on Resolution 5 by John Ribbons and any associates of John Ribbons. 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 a 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.

By order of the Board



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John Ribbons  
Company Secretary  
Date: 12 October 2007

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### **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide shareholders in Minemakers Limited ABN 48 116 296 541 (“**Company**”) with sufficient information to assess the merits of Resolutions 4 and 5 contained in the Notice of Annual General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to Resolutions 4 and 5.

#### **Resolution 4 - Approval of Grant of Options**

Shareholders' approval is sought for the purpose of Listing Rule 10.11 to grant various options to Directors or their nominees, for nil consideration.

#### ***Related Party Transactions***

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

1. The giving of the financial benefit falls within one of the nominated exceptions to the provision; or
2. Prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Directors are considered to be a related party of the Company.

Resolution 4 provides for the grant of options to related parties which is a financial benefit which requires shareholder approval. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

#### ***The related party to whom the proposed resolution would permit the financial benefit to be given***

The options will be issued to each of the Directors or their nominees within one month of the passing of this Resolution.

#### ***The nature of the financial benefit***

The proposed financial benefit is the grant to Directors or their nominees, for no issue price, that number of options shown beside their name in the table below. Each option will allow the Director to subscribe for one ordinary fully paid share in the Company. The exercise price of each option is also detailed in Table 1. The options form part of the Directors' incentive for continuing and future efforts.

#### ***Directors' recommendation***

The Directors do not wish to make a recommendation about the proposed Resolution 4, as each of them may potentially receive a financial benefit from the passing the Resolution in relation to the grant of the options and they do not consider themselves sufficiently independent to make a recommendation.

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**Table 1 - Details of options to be issued to Directors**

Director	Number of options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
George Savell	2,500,000	50 cents	31 December 2010	At date of allotment	\$98,500
Andrew Drummond	4,000,000	50 cents	31 December 2010	At date of allotment	\$157,600
Edward (Ted) Ellyard	2,000,000	50 cents	31 December 2010	At date of allotment	\$78,800
Dennis Wilkins	1,500,000	50 cents	31 December 2010	At date of allotment	\$59,100
Richard O'Shannassy	1,500,000	50 cents	31 December 2010	At date of allotment	\$59,100

**Table 2 -Details of Directors' current holdings of securities in the Company**

Director	Shareholding	Option holding
George Savell	672,000	412,000
Andrew Drummond	9,437,056	903,750
Edward (Ted) Ellyard	5,513,500	939,750
Dennis Wilkins	1,000,000	-
Richard O'Shannassy	360,250	562,750

**Table 3 - Option valuation details**

Details	Input
Share price	23 cents (11 October 2007)
Exercise Price	As detailed in the Table 1
Risk Free Rate (Australian 5 year T-Bond)	6.50%
Volatility (Annualised)	50%
Time (years) to expiry	3
Start Date	28 November 2007

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### **All of the Directors were available to consider the proposed Resolution.**

#### *Interests of directors*

The Directors have noted their respective interest in the approval of the Resolution in relation to the options.

*Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers.*

- (a) The proposed Resolution would have the effect of giving power to the Directors to grant options to each of the Directors or their nominees as outlined in Table 1.
- (b) The exercise of the options is subject to the terms and conditions outlined in Annexure A.
- (c) The Directors, in conjunction with the Company's advisers have provided an indicative value to the options by reference to the Black-Scholes valuation method, based upon the assumptions outlined in Table 3. The valuation cannot be finalised until the issue date of the options.
- (d) The total value of the options to be issued is outlined in Table 1. If options granted to Directors are exercised, the effect would be to dilute the shareholdings of the existing shareholders.
- (e) As at 12 October 2007, the issued capital of the Company comprised 62,585,975 ordinary fully paid shares. On a fully diluted basis the issue of options represents approximately 13.52% of the Company's issued capital.
- (f) The Directors' current interests in securities of the Company are detailed in Table 2.
- (g) The market price of the Company's shares during the term of the options will normally determine whether or not the optionholder exercises the option. At the time any options are exercised and shares issued pursuant to the exercise of the options, the Company's ordinary shares may be trading on ASX at a price which is higher than the exercise price of the options.
- (h) The options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary shares of the Company have been traded on ASX since October 2003. In the twelve months prior to the date of this notice the shares have traded in the range of 14 cent to 44 cents, the most recent closing price prior to printing of this notice was 23 cents. The options are capable of being converted to shares by payment of the exercise price.
- (i) Under the Company's current circumstances, the Directors consider that the incentive to Directors which would be represented by the options would be a cost-effective and efficient reward for the Company as opposed to alternative forms of incentives.
- (j) Mr Drummond receives an annual salary of \$211,000 per annum (plus statutory superannuation), Mr Savell receives annual chairman fees of \$35,000 per annum (plus statutory superannuation), Messrs Wilkins and O'Shannassy receive annual director fees of \$25,000 (plus GST) and Mr Ellyard receives annual director fees of \$25,000 per annum (plus statutory superannuation).
- (k) The Directors do not consider that, from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in issuing the options to Directors pursuant to Resolution 4.

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- (l) Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by Resolution 4.

If approval is given for the issue of the options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

(Note: Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities where the securities proposed to be issued represent more than 15% of the Company's shares then on issue. Listing Rule 7.1.4 provides that for the purposes of Listing Rule 7.1, options are treated as if they were the shares into which they will, upon exercise, convert.)

### **Resolution 5 – Approval of Grant of Options to Company Secretary**

ASX Listing Rule 7.1 provides that the prior approval of the shareholders of the Company is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Up to 1,000,000 options proposed to be issued by the Company pursuant to Resolution 5 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, shareholder approval under Listing Rule 7.1 is sought.

The proposed issue of options to Mr John Ribbons is placed before shareholders to allow the options to be excluded from the calculation set out in ASX Listing Rule 7.1.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) The maximum number of securities to be issued pursuant to Resolution 5 is 1,000,000 options, exercise price 50 cents, expiring 31 December 2010.
- (b) The options are to be issued for nil consideration.
- (c) The options will be issued to Mr Ribbons or his nominee within three months of the passing of this Resolution.
- (d) The terms and conditions of the options are set out in Annexure A of this Notice.
- (e) A voting exclusion statement is included in the Notice.

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### **ANNEXURE A**

#### **TERMS AND CONDITIONS 50 CENT UNLISTED OPTIONS EXPIRING 31 DECEMBER 2010**

The options to be issued pursuant to the Resolutions will be issued on the following terms:

1. Each option shall be issued for no consideration.
2. Each option entitles the holder to subscribe for one Share in Minemakers Limited ABN 48 116 296 541 ("**Company**") upon the payment of 50 cents per share subscribed for.
3. The options will lapse at 5.00 pm, Western Standard Time on 31 December 2010 ("**Expiry Date**").
4. The options are not transferable and will not be listed for official quotation on the ASX.
5. There are no participating rights or entitlements inherent in these options and holders of the options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the option.
6. Optionholders have the right to exercise their options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the options, and will be granted a period of at least 10 business days before books closing date to exercise the options.
7. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of shares after the date of issue of the options, the exercise price of the options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
8. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
9. The options shall be exercisable at any time until the Expiry Date ("**Exercise Period**") by the delivery to the registered office of the Company of a notice in writing ("**Notice**") stating the intention of the optionholder to exercise all or a specified number of options held by them accompanied by an option certificate and a cheque made payable to the Company for the subscription monies for the shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some options shall not affect the rights of the options to the balance of the options held by it.
10. The Company shall allot the resultant shares and deliver a statement of shareholdings with a holders' identification number within five business days of exercise of the options.
11. The shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

**MINEMAKERS LIMITED**

**ABN 48 116 296 541  
PROXY FORM**

The Company Secretary  
Minemakers Limited  
Level 1  
46 Ord Street  
WEST PERTH WA 6005  
Facsimile: +61 8 9264 7099

I/We (name of shareholder) .....  
of (address) .....  
being a member/members of Minemakers Limited HEREBY APPOINT  
(name) .....  
of (address) .....  
and/or failing him (name) .....  
of (address) .....  
or failing that person then the Chairperson of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual  
General Meeting of the Company to be held on 28 November 2007 and at any adjournment of the meeting.

**PROXY INSTRUCTIONS**

If you wish to instruct your proxy how to vote, insert "X" in the appropriate column against the item of business set out below.

If you do not wish to direct your proxy how to vote please place a mark in the box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as a proxy holder will be disregarded because of that interest. The Chairman has advised that his intention is to vote in favour of the resolutions.



*Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:*

I/We direct my/our Proxy to vote in the following manner:	For	Against	Abstain
Resolution 1 – Election of Richard O’Shannassy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Edward (Ted) Ellyard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approval of Grant of Options to Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval of Grant of Options to Company Secretary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

*This Proxy is appointed to represent \_\_\_\_\_ % of my voting right, or if 2 proxies are appointed Proxy 1 represents \_\_\_\_\_ %  
and Proxy 2 represents \_\_\_\_\_ % of my total votes  
My total voting right is \_\_\_\_\_ shares*

Dated \_\_\_\_\_

If the shareholder is an individual:

Signature: \_\_\_\_\_

If the shareholder is a company:

Affix common seal (if required by Constitution)

\_\_\_\_\_  
Director/Sole Director and Secretary

\_\_\_\_\_  
Director/Secretary

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Print name

## INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by each of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting **that is by 9:30 am WST on 26 November 2007** by post or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
  - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
  - (b) 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
  - (c) if the proxy is the Chairperson, the proxy must vote on a poll and must vote that way, and
  - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.