

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

**NOTICE OF GENERAL MEETING**  
**AND**  
**EXPLANATORY MEMORANDUM**

**Date of Meeting**  
9 July 2007

**Time of Meeting**  
9:30 am

**Place of Meeting**  
**Level 1**  
**46 Ord Street**  
**WEST PERTH WA 6005**

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

Notice is hereby given that the General Meeting of shareholders of Minemakers Limited ("**Company**") will be held at Level 1, 46 Ord Street, West Perth WA on 9 July 2007 at 9:30 am for the purpose of transacting the following Business.

**ORDINARY BUSINESS**

**Resolution 1 – Ratification of Issue and Allotment of Securities**

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

*“That, for the purpose of Listing Rule 7.4 of the Listing Rules of the ASX and for all other purposes, the Company approves and ratifies the issue and allotment of 500,000 options issued on terms and conditions set out in the Explanatory Memorandum accompanying this Notice to persons who are not related parties of the Company.”*

**Short Explanation:** Approval is sought under Listing Rule 7.4 to allow the Company to ratify the issue and allotment of these securities. Please refer to the Explanatory Memorandum for details.

***Voting Exclusion Statement***

*The Company will in accordance with the Listing Rules of the ASX, disregard any votes cast on Resolution 1 by any person who participated in the issue and any associates of those persons. However, the Company will 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.*

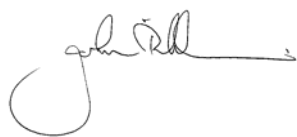
**Resolution 2 – Approval of Grant of Options to Richard O’Shannassy**

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

*“That for the purpose of Listing Rule 10.11 of the ASX the issue of 500,000 options to acquire ordinary fully paid shares in the capital of the Company at an exercise price of 30 cents and expiring on 30 June 2009, and otherwise on the terms and conditions outlined in Annexure A, to Richard O’Shannassy or his nominee for nil consideration be and is hereby approved.”*

- 1. The options issued under Resolution 2 will be issued to Richard O'Shannassy or his nominees in accordance with the terms and conditions outlined in Annexure A:*
- 2. Richard O'Shannassy or his nominee will be issued 500,000 options for no issue price;*
- 3. the options will be issued not later than one month 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 2 by Richard O'Shannassy and any associates of Richard O'Shannassy. 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

A handwritten signature in black ink, appearing to read 'John Ribbons', written over a horizontal line. A vertical red line is positioned to the right of the signature.

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John Ribbons  
Company Secretary  
Date: 31 May 2007

## **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 1 and 2 contained in the Notice of General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to resolutions 1 and 2.

The following information should be noted in respect of the various matters contained in the Notice of General Meeting:

### **Resolution 1            Ratification of Allotment and Issue of Securities Regulatory Requirements**

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to restore a company’s maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

Resolution 1 is required to be approved in accordance with ASX Listing Rule 7.4 to ratify previous issues of securities. The Company confirms that the issue and allotment of the securities the subject of Resolution 1 did not breach ASX Listing Rule 7.1.

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) 500,000 Options were issued by the Company;
- (b) the Options were issued as part consideration for services rendered by Venture Group Equities Pty Ltd;
- (c) no funds were raised from the issue of securities
- (d) the terms and conditions of the options are set out in Annexure B of this Notice;
- (e) a voting exclusion statement is included in the Notice.

## **Resolutions 2      Issue of Options to Directors**

Shareholders' approval is sought for the purpose of Listing Rule 10.11 to grant various options to Mr O'Shannassy or his nominee.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to Mr O'Shannassy as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of securities to Mr O'Shannassy will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 2:

- (a) the maximum number of Director Options to be issued by the Company is 500,000 to Mr O'Shannassy;
- (b) the Director Options will be issued not later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that allotment will occur on one date;
- (c) the Director Options will be issued for no cash consideration;
- (d) the Director Options will be issued on the terms and conditions set out in Annexure A; and
- (e) no funds will be raised from the issue of the Director Options as the purpose of the issue is to give Mr O'Shannassy an incentive to provide dedicated and ongoing commitment to the Company.

### ***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 2 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 nature of the financial benefit***

The proposed financial benefit is the grant to Mr O'Shannassy or his nominee, for no issue price, that number of options shown beside their name in the table below. Each option will allow Mr

O'Shannassy 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 Mr O'Shannassy's incentive for continuing and future efforts.

Mr O'Shannassy does not wish to make a recommendation about the proposed Resolution 2. As each he may potentially receive a financial benefit from the passing of the Resolution in relation to the grant of the options and does not consider himself sufficiently independent to make a recommendation.

**All of the Directors were available to consider the proposed Resolutions.**

*Interests of directors*

Mr O'Shannassy has noted his 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 Resolutions would have the effect of giving power to the Directors to grant 500,000 options to Mr O'Shannassy or this nominee.
- (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 can not 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 Mr O'Shannassy are exercised, the effect would be to dilute the shareholdings of the existing shareholders.
- (e) As at 22 May 2007, the issued capital of the Company comprised 40,379,982 ordinary fully paid shares. On a fully diluted basis the issue of options represents approximately 0.78% of the Company's issued capital.
- (f) Mr O'Shannassy's current interests in securities of the Company are detailed in the Table 2.
- (g) The market price of the Company's shares during the term of the options will normally determine whether or not the option holder 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 2006. In the twelve months prior to the date of this notice the shares have traded in the range of 14 cents to 20 cents, the most recent closing price prior to printing of this notice was 17.5 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 O'Shannassy receives annual director fees of \$25,000, plus GST. In addition Mr O'Shannassy is the principal of Richard O'Shannassy & Co Pty Ltd which provides legal advisory services to the Company.
- (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 Mr O'Shannassy pursuant to Resolution 2.
- (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 2.

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.)

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

<b>Director</b>	<b>Number of options</b>	<b>Exercise price</b>	<b>Expiry date</b>	<b>Vesting</b>	<b>Value as determined by Black-Scholes valuation</b>
Richard O'Shannassy	500,000	30 cents	30 June 2009	At date of allotment	\$12,750

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

<b>Director</b>	<b>Shareholding</b>	<b>Option holding</b>
Richard O'Shannassy	227,500	Nil

**Table 3 - Option valuation details**

<b>Details</b>	<b>Input</b>
Share price	17.5 cents (22 May 2007)
Exercise Price	As detailed in the Table 1
Risk Free Rate (Australian 5 year T-Bond)	6.25%
Volatility (Annualised)	50%
Time (years) to expiry	2
Start Date	29 June 2007

**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 General Meeting of the Company to be held on 9 July 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 both 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:

RESOLUTION	FOR	AGAINST	ABSTAIN
1 Ratification of Issue and Allotment of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Issue of Options to Directors to Richard O'Shannassy	<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*

Dated : \_\_\_\_\_ 2007

**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 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 General Meeting **that is by 9:30 am WST on Friday 6 July 2007** by post to Level 1, 46 Ord Street, West Perth WA 6005 or facsimile (61 8 9264 7099) .
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:
  - the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; 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 Chairperson, the proxy must vote on a poll and must vote that way, and
  - 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.

## ANNEXURE A

### TERMS AND CONDITIONS 30 CENT OPTIONS EXPIRING 30 JUNE 2009

The Options to be issued pursuant to the Resolution 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 16 296 541 ("**Company**") upon the payment of 30 cents per Share subscribed for.
3. The Options will lapse at 5.00 pm, Western Standard Time on 30 June 2009 ("**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 5 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.

## ANNEXURE B

### TERMS AND CONDITIONS 30 CENT OPTIONS EXPIRING 31 DECEMBER 2008

1. Each Option entitles the holder to one ordinary fully paid share.
2. The Options are exercisable at any time prior to 5:00pm Perth time on 31 December 2008 (the Expiry Date) by completing the Option Exercise Form and provide payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company.
3. The exercise price of the Options is \$0.30 per option.
4. Subject to the Corporations Act, the Listing Rules and the Constitution of the Company, Options are freely transferable and application will be made to the ASX for Official Quotation of the Options.
5. All ordinary fully paid shares issued upon exercise of Options will rank pari passu in any respects with the Company's then issued ordinary fully paid shares. The Company will apply for Official Quotation by the ASX of all shares issued upon exercise of Options.
6. There are no participating rights and entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options without exercising their Options. However, the Company will ensure that optionholders will be allowed 10 business days notice to convert their Options to Shares to participate in an entitlement issue on the same basis as ordinary shareholders.
7. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry date, the number of Options or the exercise price of the Options or both shall be reconstructed in accordance with the Listing Rules.
  - (h) Adjustment for bonus issues of Shares  
If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):
    - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
    - (b) no change will be made to the exercise price.
  - (i) Adjustment for rights issue  
If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of a Option will be reduced according to the following formula:  
$$\text{New exercise price} = \frac{O - E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Option.  
E = the number of underlying Shares into which one Option is exercisable.  
P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.  
S = the subscription price of a Share under the pro rata issue.  
D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).  
N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.
- (j) Lodgement Instructions  
Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.