

RECLAIM INDUSTRIES LIMITED

ACN 090 671 819

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:00am (CST)
DATE: Monday 30th November 2009
PLACE: Reclaim Industries Limited
93 Frome Street
Adelaide, South Australia 5000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 8311 7110.

CONTENTS PAGE

Notice of Annual General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	4
Glossary	6
Proxy Form	7

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00am (CST) on Monday 30th November 2009 at:

93 Frome Street,
Adelaide SA 5000

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post or deliver to Reclaim Industries Limited, 93 Frome Street, Adelaide SA 5000; or
- (b) facsimile to the Company on facsimile number (+61 8) 8232 3499
- (c) so that it is received not later than 11:00am (CST) on Friday 27th November 2009.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 11am (CST) on Monday 30th November 2009 at 93 Frome Street, Adelaide, South Australia.

The Explanatory Statement to this Notice of Meeting 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 at 11am (CST) on 27th November 2009.

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

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2009 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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 purpose 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 year ended 30 June 2009."

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR NEIL MACKENZIE

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

"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Neil Mackenzie, a Director who retires by rotation, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – APPROVAL OF ISSUE OF SHARES TO RELATED PARTY

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

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue the Consideration Shares to John Crosby (or its nominee) on the terms of the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by John Crosby any associates of John Crosby. 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.

DATED: 14th October 2009

BY ORDER OF THE BOARD



SCOTT MORGAN

**COMPANY SECRETARY
RECLAIM INDUSTRIES LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 11am (CST) on 30th November 2009 at 93 Frome Street, Adelaide, South Australia.

The 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.

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 year ended 30 June 2009 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer 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. These amendments may result in reducing the Company's printing costs.

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.reclaim.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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.

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 2009.

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

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – RETIREMENT BY ROTATION

Clause 13.2 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

Clause 13.5 of the Constitution provides that Directors being re-elected pursuant to clause 13.5 shall not be taken into account in determining the Directors who are to retire by rotation at the meeting. Clause 17.4 provides that the Managing Director shall not be required to retire by rotation.

Mr Neil Mackenzie has agreed to retire by rotation under clause 13.2 of the Constitution. A Director who so retires is eligible for re-election.

Mr Neil Mackenzie retires by rotation and seeks re-election.

4. RESOLUTION 3 – APPROVAL OF ISSUE OF SHARES TO RELATED PARTY

1. BACKGROUND

In May 2008, the Company agreed in principle to acquire certain plant and equipment (**Assets**) from John Crosby, the Managing Director of the Company (**Acquisition**). An independent valuation of the Assets was conducted by Mason Gray Strange which valued the Assets at \$217,860. The Company is currently in possession and effective control of the Assets.

Pursuant to Resolution 3, the Board is seeking Shareholder approval under ASX Listing Rule 10.11 to issue Shares to John Crosby up to the value of \$217,860 as consideration for the Acquisition of the Assets (**Consideration Shares**). The number of Consideration Shares to be issued to John Crosby as consideration for the Acquisition is to be calculated in accordance with the terms sheet effecting the Acquisition (**Terms Sheet**), summarised below.

As the Company has obtained an independent valuation of the Assets and the Acquisition is on arms length terms, the Board considers that Shareholder approval pursuant to Section 208 of the Corporations Act is not required.

2. TERMS SHEET

On 8 October 2009, the Company and John Crosby entered into a binding Terms Sheet in relation to the Acquisition.

- (a) Condition Precedent: The Acquisition is subject to the Company obtaining all necessary regulatory and shareholder approvals for the transactions contemplated by the Terms Sheet, including shareholder approval under ASX Listing Rule 10.11 for the issue of Shares to John Crosby.
- (b) Consideration: The consideration payable for the Assets is \$217,860 (**Consideration**), to be satisfied by the issue of Shares to John Crosby at a deemed issue price of 10 cents per share.

The Consideration Shares shall be issued to John Crosby no later than 5 business days after the Company satisfying the Condition Precedent.

3. ASX LISTING RULE 10.11

Shareholder approval is required for the Acquisition pursuant to ASX Listing Rule 10.11.

If Resolution 3 is passed, Shares will be issued to John Crosby. John Crosby is a related party of the Company by virtue of the fact that he is a director of the Company. For this reason, Shareholder approval under ASX Listing Rule 10.11 is required prior to issuing the Shares to John Crosby.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares as approval is being obtained under Listing Rule 10.11. Shareholders should note that the issue of securities to John Crosby will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

For the purposes of Listing Rule 10.13, the following information is provided in relation to the issue of the Consideration Shares:

- (a) the maximum number of Shares to be issued by the Company is that number equal to 2,178,600;
- (b) the allottee of the Shares will be Mr John Crosby, a Director of the Company;
- (c) the Shares proposed to be issued in accordance with Resolution 3 will rank equally in all respects with the Company's existing issued Shares;
- (d) the Shares will be issued for free as consideration for the acquisition of the Assets from John Crosby;
- (e) the Shares will be issued not later than 1 month after the date of this meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the Shares will be issued on one date; and
- (f) no funds will be raised from the issue of the Shares.

4. ENQUIRIES

Shareholders may contact Scott Morgan on (+ 61 8) 8311 7110 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current 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 Reclaim Industries Limited (ACN 090 671 819).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

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

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

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

CST means Central Standard Time as observed in Adelaide, South Australia.

PROXY FORM

APPOINTMENT OF PROXY RECLAIM INDUSTRIES LIMITED ACN 090 671 819

ANNUAL GENERAL MEETING

I/We

_____ being a member of Reclaim Industries Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

_____ Name of proxy

OR

Mark this box if you wish to appoint 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, as the proxy sees fit, at the Annual General Meeting to be held at 11am (WST), on 30th November 2009 at 93 Frome Street, Adelaide, South Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

VOTING ON BUSINESS OF THE ANNUAL GENERAL MEETING

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Director – Mr Neil Mackenzie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval of Issue of Shares to Related Party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

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 1 to 3 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 1 to 3 and that votes cast by the Chair of the Annual General Meeting for Resolutions 1 to 3 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 1 to 3 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1 to 3.

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 to 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 _____%

Signed this _____ day of _____ 2009

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Company Secretary

Signature

Sole Director and Sole Company Secretary

INSTRUCTIONS FOR COMPLETING 'APPOINTMENT OF PROXY' FORM

1. 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. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members should sign.
3. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
4. Corporate members should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

5. 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.
6. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Reclaim Industries Limited, 93 Frome Street, Adelaide SA 5000; or
 - (b) deliver to Reclaim Industries Limited, 93 Frome Street, Adelaide SA 5000; or
 - (c) facsimile to the Company on facsimile number (+61 8) 8232 3499,so that it is received not later than 11am (CST) on 27th November 2009.

Proxy forms received later than this time will be invalid.