



## **GLADIATOR RESOURCES LIMITED**

**ABN 58 101 026 859**

### **CIRCULAR TO SHAREHOLDERS**

**including**

**NOTICE OF GENERAL MEETING**

**PROXY FORM**

**General Meeting of Gladiator Resources Limited to be held at  
RSM Bird Cameron, 8 St Georges Terrace, Perth, Western Australia  
on Tuesday, 15 June 2010 commencing at 9.00 am (WST).**

This document should be read in its entirety. If after reading this Circular to Shareholders, you have any questions or doubts as to how you should vote, you should contact your stockbroker, solicitor, accountant or professional adviser.



**GLADIATOR RESOURCES LIMITED**  
**ABN 58 101 026 859**

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## **Corporate Directory**

<b>Directors</b>	Geoff Wedlock John Palermo Timothy Adams
<b>Secretary</b>	John Palermo
<b>Registered Office</b>	Level 1 284 Oxford Street LEEDERVILLE WESTERN AUSTRALIA 6007 Telephone: +61 8 9443 1600 Facsimile: +61 8 9242 5903
<b>Auditor</b>	RSM Bird Cameron Partners 8 St Georges Terrace PERTH WESTERN AUSTRALIA 6000
<b>Solicitors</b>	Allion Legal Level 2, Spinifex House 50 Kings Park Road WEST PERTH WESTERN AUSTRALIA 6005
<b>Share Registry</b>	Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS WESTERN AUSTRALIA 6153



GLADIATOR RESOURCES LIMITED

ABN 58 101 026 859

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## Notice of General Meeting

NOTICE IS GIVEN THAT a General Meeting of the Company will be held at RSM Bird Cameron, 8 St Georges Terrace, Perth, Western Australia on Tuesday, 15 June 2010, commencing at 9.00 am WST.

Information on the proposals to which the resolutions set out below relate is contained in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.

### SPECIAL BUSINESS

#### RESOLUTION 1: RATIFICATION OF SHARE ISSUE

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue of 11,000,000 ordinary Shares to the parties, for the purposes and on the terms set out in the Explanatory Statement.”*

#### RESOLUTION 2: APPROVAL FOR PLACEMENT OF SHARES

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 20,000,000 Shares to the persons, on the dates and on the terms set out in the Explanatory Statement.”*

#### RESOLUTION 3: ISSUE OF DIRECTOR OPTIONS – G WEDLOCK

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

*“That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 4.5 million Options to Mr Geoff Wedlock (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

#### RESOLUTION 4: ISSUE OF DIRECTOR OPTIONS – J PALERMO

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

*“That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 4.5 million Options to Mr John Palermo (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

## **RESOLUTION 5: ISSUE OF DIRECTOR OPTIONS – T ADAMS**

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

*“That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 4.5 million Options to Mr Timothy Adams (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

## **RESOLUTION 6: APPROVAL OF THE EMPLOYEE SHARE OPTION PLAN**

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

*“That, for the purposes of Listing Rule 7.2 (Exception 9(b)) and for all other purposes, Shareholders approve and authorise the Directors to grant Options and issue Shares upon the exercise of those Options from time to time upon the terms and conditions specified in the rules of the Gladiator Resources Limited Employee Share Option Plan (“ESOP”), a summary of which is set out in the Explanatory Statement, as an exception to Listing Rule 7.1 .”*

## **RESOLUTION 7: APPROVAL OF THE PERFORMANCE SHARE PLAN**

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

*“That, for the purposes of Listing Rule 7.2 (Exception 9(b)) and for all other purposes, Shareholders approve and authorise the Directors to grant Performance Rights and issue Shares pursuant to those Performance Rights from time to time upon the terms and conditions specified in the rules of the Gladiator Resources Limited Performance Share Plan (“PSP”), a summary of which is set out in the Explanatory Statement, as an exception to Listing Rule 7.1.”*

## **VOTING EXCLUSIONS**

The Company will disregard any votes cast on:

- (a) Resolution 1, by any person who participated in the issue and any of their associates;
- (b) Resolution 2, by any person who may participate in the proposed issue or who might obtain a benefit if the resolution is passed, (except a benefit solely in that person’s capacity as a Shareholder) and any of their associates;
- (c) Resolutions 3 to 5, by the recipients of the Director Options and any of their associates; and
- (d) Resolutions 6 and 7, by any Director (on the basis that they are all eligible to participate in the ESOP and the PSP) and any of their associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **PROXIES**

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion is not specified each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

## **“SNAP-SHOT” TIME**

The Company may specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

The Company’s directors have determined that all shares of the Company that are quoted on ASX at 5.00pm (WST) on Sunday, 13 June 2010 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the shares at that time.

**DATED** 11 May 2010

**BY ORDER OF THE BOARD**

**John Palermo**  
Company Secretary  
Gladiator Resources Limited



## GLADIATOR RESOURCES LIMITED

ABN 58 101 026 859

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### EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's General Meeting to be held on 15 June 2010.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

### RESOLUTION 1: RATIFICATION OF SHARE ISSUE

On 4 March 2010, the Company announced it had entered into an agreement with Azure Capital Pty Ltd ("Azure") pursuant to which Azure was appointed lead manager of the Company's share placement of 11,000,000 Shares at 25 cents per share to sophisticated clients of Azure. The placement represented 15% of the Company's issued share capital. Azure is not a related party of the Company.

Resolution 1 seeks ratification of the issue of the Shares under the placement for the purposes of Listing Rule 7.4.

Listing Rule 7.1 provides that a company must not, without prior approval of Shareholders, issue securities if the securities will in themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

The Company is seeking from Shareholders ratification of the issue of Shares under Resolution 1 so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of securities in the next 12 months.

Listing Rule 7.5 requires the following information to be given to Shareholders:

- (a) a total of 11,000,000 Shares were allotted under the placement at an issue price of \$0.25 each;
- (b) the Shares issued under the placement are fully paid ordinary Shares in the Company and rank equally with the existing Shares. The terms of the issue of the Shares are as set out in Annexure A.
- (c) the Shares were allotted to sophisticated clients of Azure who are not related parties of the Company.

- (d) the funds raised from the issue of the Shares were utilised to enhance working capital requirements of the Company in pursuing its projects in Brazil and Uruguay.

The Board believes that the ratification of the issue is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 1 as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

## **RESOLUTION 2: APPROVAL FOR PLACEMENT OF SHARES**

The Company proposes to issue up to 20,000,000 Shares by way of a share placement on the terms set out below. The issue of Shares will be equal to approximately 20.95% of the Company's fully-diluted share capital assuming no further issues of securities by the Company (based on the number of Shares and Options on issue as at the date of the notice of meeting).

Listing Rule 7.1 provides generally that a company may not issue shares or options to subscribe for shares equal to more than 15% of the company's issued share capital in any 12 months without obtaining shareholder approval. Resolution 2 seeks this approval.

The maximum number of Shares that will be issued under the placement is 20,000,000. The Shares will be allotted and issued as soon as possible but, in any case, not later than 3 months after the date of Shareholder approval.

The Shares will be issued at a price equal to at least 80% of the average market price of Shares, calculated over the last 5 days on which sales of Shares were recorded before the date upon which the issue is made.

The identity of the allottees is unknown at this stage; however, will be determined by the Company having regard to the level of demand for Shares, the identification of investors with a long term commitment to the Company and other factors the Company may consider appropriate, and will not be related parties of the Company.

It is anticipated that the Shares will be allotted progressively; however, the exact dates of allotment are unknown at this stage.

The Shares will be issued on terms and conditions contained in the Constitution which are summarised in Annexure A. The Company will apply to ASX for official quotation of the Shares.

The purpose of the placement is to raise funds for the exploration and development of the iron ore, manganese ore and base metals potential in the Isla Cristalina Belt in Uruguay ("**Project Area**"), pursuant to an Option Agreement entered into between the Company and Orosur Mining Inc. (as announced to the ASX on 11 January 2010) and for general working capital. As announced to the ASX on 3 May 2010, the Company exercised its option pursuant to the Option Agreement and can now earn up to an 80% interest in the Project Area.

The Board believes that the proposed issue is beneficial for the Company and recommends Shareholders vote in favour of Resolution 2. It will allow the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

## **RESOLUTIONS 3 TO 5 – ISSUE OF DIRECTOR OPTIONS**

Resolutions 3, 4 and 5 seek Shareholder approval for the issue of a total of 13.5 million Options to Mr Wedlock, Mr Palermo and Mr Adams, each of whom is a Director of the Company. If the Resolutions are approved, the Director Options set out in the table below will be allotted and issued to Mr Wedlock, Mr Palermo and Mr Adams personally (or to their nominees):

**Table 1**

Director	Series A Options	Series B Options	Series C Options	Total
Geoff Wedlock	500,000	2,000,000	2,000,000	4,500,000
John Palermo	500,000	2,000,000	2,000,000	4,500,000
Timothy Adams	500,000	2,000,000	2,000,000	4,500,000

The issue of the Director Options is designed to act as an incentive for future performance. The Director Options to be issued are in addition to the fee and remuneration package payable by the Company to the Directors.

The Director Options are exercisable at the exercise price and at the times set out below, and are otherwise issued on the terms set out in Annexure B.

**Table 2**

Director Option	Exercise Price	Expiry Date
Series A	\$0.35	2 years after date of issue
Series B	\$0.50	3 years after date of issue
Series C	\$0.70	3 years after date of issue

### ***Chapter 2E of the Corporations Act***

Section 208 of the Corporations Act prohibits a company from giving a financial benefit to a related party without prior shareholder approval. 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:

- obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Section 210 to 216 of the Corporations Act.

A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company and specified members of the director's family. It also includes an entity over which a director maintains control or a person who may be seen as acting in concert with the company on the understanding that a financial benefit will be received. Further, a director of an entity that controls a public company is a related party of the company.

A "financial benefit" for the purposes of the Corporations Act is also defined widely. It includes a public company issuing securities or granting options to a related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and the effect of the transaction (rather than just the legal form) and any consideration which has been given is to be disregarded, even if it is full or adequate.

A Director is deemed to be a related party of the Company. The issuing of securities to a related party (or nominee) as contemplated by Resolutions 3, 4 and 5 constitutes the giving of a financial benefit to a related party and the resolutions are put to Shareholders for this reason.



## ***Listing Rules***

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a director, an associate of the director or a person whose relationship with the entity or director is, in ASX's opinion such that approval should be obtained.

The issue of the Director Options would fall within Listing Rule 10.11. Accordingly, approval is sought from Shareholders for the purposes of Listing Rule 10.11.

### ***Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.13)***

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporation Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Director Options:

**(a) The related parties to whom the proposed resolutions would permit financial benefits to be given**

Mr Wedlock, Mr Palermo and Mr Adams (or their nominees), each of whom are Directors of the Company.

**(b) The date by which the Company will issue the securities**

The Director Options will be issued no later than one month after the date of the General Meeting and it is anticipated that the Director Options will be issued on one date.

**(c) The nature of the financial benefits**

The following maximum number of Director Options will be granted for no consideration:

- (i) under Resolution 3, the Director Options to Mr Wedlock or his nominee set out in Table 1;
- (ii) under Resolution 4, the Director Options to Mr Palermo or his nominee set out in Table 1;  
and
- (iii) under Resolution 5, the Director Options to Mr Adams or his nominee set out in Table 1.

The Director Options are exercisable at the prices and before the expiry dates set out in Table 2.

It is a requirement of ASIC that a dollar value be placed on the Director Options.

A valuation for each Series of Director Options has been provided by Stantons International Securities using the Binomial Option Valuation methodology. In determining the values, the following assumptions were applied:

- the Series A Options will be exercisable at \$0.35 on or before the date 2 years after the date of issue;
- the Series B Options will be exercisable at \$0.50 on or before the date 3 years after the date of issue;
- the Series C Options will be exercisable at \$0.70 on or before the date 3 years after the date of issue;
- price volatility of the Shares is 70% (determined after taking into account the Company's announcements from 1 July 2009, the life of the Director Options (2 or 3 years) and the general volatilities applying to the small cap mineral companies);

- the risk free rate of interest of 5.25% (based on the risk free interest rate for a Commonwealth Bond expiring approximately 2 years after the date of the valuation);
- no dividends will be paid by the Company before the expiry date of the Director Options;
- the closing price for Shares on ASX of \$0.39, based on the closing price of Shares on ASX on 7 April 2010; and
- the Director Options will be transferable but not listed on ASX.

Based on the above assumptions set out above, the IFRS value using the Binomial option pricing model for the Director Options is as follows:<sup>1</sup>

- (i) Series A Options – 17.31 cents each;
- (ii) Series B Options – 17.03 cents each; and
- (iii) Series C Options – 13.86 cents each.

Therefore, the implied “value” being received by the Directors through the issue of the Director Options is as follows:

Name	Value of Series A Options	Value of Series B Options	Value of Series C Options	Total Value
Geoff Wedlock	\$86,550	\$340,600	\$277,200	\$704,350
John Palermo	\$86,550	\$340,600	\$277,200	\$704,350
Timothy Adams	\$86,550	\$340,600	\$277,200	\$704,350

**(d) Remuneration of Directors**

The remuneration and emoluments from the Company to the Directors for both the current financial year and the previous financial year are set out below:

Name	Current Financial Year	Financial Year ended 30 June 2009
Geoff Wedlock	\$86,664	\$28,331
John Palermo	\$82,502	\$100,560
Timothy Adams	\$187,500	\$21,250

**(e) Directors’ recommendations on the proposed resolutions**

Each of the Directors declines to make a recommendation in relation to proposed Resolutions 3, 4 and 5 as they have a material interest in their outcomes to the extent that the resolutions provide for the issue of Director Options to each of them.

Due to the operation of section 195(4) of the Corporations Act, the Directors have only considered the subject matter of Resolutions 3, 4 and 5 with respect to the issue of the Director Options to the extent necessary to convene the Shareholders’ meeting for the purposes of Shareholders considering the resolutions and to prepare the necessary meeting documentation.

<sup>1</sup> It is noted that if 50% and 100% volatility factors were used, the values of one Option would be: in the case of Series A Options, 13.94 cents and 21.95 cents respectively; in the case of Series B Options, 12.26 cents and 23.14 cents respectively; and in the case of the Series C Options, 7.91 cents and 21.18 cents, respectively.

**(f) Directors' interests in outcome of proposed resolutions**

The Directors interests in the outcome of proposed Resolutions 3, 4 and 5 are set out above and elsewhere in this Explanatory Statement.

**(g) All other information that is reasonably required by members in order to decide whether or not it is in the Company's interests to pass the proposed resolutions and that is known to the Company or any of its Directors**

If the Director Options proposed to be granted under Resolutions 3, 4 and 5 are exercised, and no other Shares or options to acquire Shares are issued or exercised in the meantime, the number of issued Shares would increase by 13,500,000 representing 15.84% of the total Shares (post-exercise) on a fully-diluted basis at that time.

The table below sets out each proposed recipient's current entitlement to Shares, Options and Director Options proposed to be granted under Resolutions 3, 4 and 5, and what their entitlement would be if they exercised the Director Options referred to in the resolutions and no other Shares were issued by the Company:

Director	Number of Shares	Number of Options	Number of Options under Resolutions 3, 4 and 5	Number of Shares (post-exercise)	Percentage of Shares (post-exercise)
G Wedlock	2,423,077	4,076,923	4,500,000	11,000,000	12.90%
J Palermo	4,405,000	1,830,000	4,500,000	10,735,000	12.59%
T Adams	2,008,889	1,330,000	4,500,000	7,838,889	9.20%

The highest and lowest closing price of Shares in the past 12 months on the ASX were \$0.50 on 22 April 2010 and \$0.035 on 14 August and 3-4 September 2009 respectively. The closing price of Shares on 10 May 2010, the last date on which sales in Shares were recorded on ASX before the date of the Notice of General Meeting, was \$0.35.

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise prices of the Director Options, there may be a perceived cost to the Company.

The primary purpose of the issue of the Director Options is to provide cost effective consideration to them for their ongoing commitment and contribution to the Company. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed

The issue price for the Directors Options is nil. No funds will be raised from the issue of the Director Options. The funds raised from the issue of Shares upon exercise of the Director Options will be used for general working capital purposes.

The Company is not aware of any other information not set out in this Explanatory Statement that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 3, 4 and 5.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options as Shareholder approval is sought pursuant to Listing Rule 10.11. Accordingly, the issue of the Director Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

## **RESOLUTION 6: APPROVAL OF THE EMPLOYEE SHARE OPTION PLAN**

The proposed “Gladiator Resources Limited Employee Share Option Plan” (“**ESOP**”) will provide Directors, senior executives, employees and consultants (“**ESOP Participants**”) with an opportunity to participate in the Company’s future growth and gives them an incentive to contribute to that growth.

The Directors consider the ESOP will enable the Company to retain and attract skilled and experienced directors, senior executives, employees and consultants and provide them with the motivation to make the Company more successful.

A copy of the ESOP will be made available for inspection at the Company’s registered office before the General Meeting and at the General Meeting. A summary of the ESOP is contained in Annexure C.

The ESOP enables the Company to grant Options to ESOP Participants to subscribe for Shares in the Company. The main terms of the Options that may be granted under the ESOP are summarised in Annexure D.

As set out above, Listing Rule 7.1 provides that prior approval of a company’s shareholders is required for an issue of 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.

Pursuant to Listing Rule 7.2 Exception 9(b), approval under Listing Rule 7.1 is not required for an issue of securities under an employee incentive scheme if shareholders have approved the Company issuing securities under the scheme as an exception to Listing Rule 7.1 within the 3 year period before the proposed date of issue.

Accordingly, Shareholder approval is being sought pursuant to Resolution 6 so that the Company may grant Options to ESOP Participants from time to time and issue Shares upon the exercise of those Options, without limiting its ability to issue securities representing up to 15% of the Company’s share capital under Listing Rule 7.1.

The Company will seek Shareholder approval in accordance with the Listing Rules prior to issuing any Options under the ESOP to Directors or their associates.

No Options have been issued under the Plan as at the date of this notice of meeting.

## **RESOLUTION 7: APPROVAL OF THE PERFORMANCE SHARE PLAN**

The proposed “Gladiator Resources Limited Performance Share Plan” (“**PSP**”), like the proposed ESOP, will provide selected Directors, senior executives, employees and consultants (“**PSP Participants**”) with an opportunity to participate in the Company’s future growth and gives them an incentive to contribute to that growth.

The Directors consider the PSP will enable the Company to retain and attract skilled and experienced directors, senior executives, employees and consultants and provide them with the motivation to make the Company more successful.

In addition to the ESOP (if approved by Shareholders), the Directors propose the Company adopts the PSP to give the Directors the ability to issue rights to PSP Participants (“**Performance Rights**”) to be issued fully paid ordinary shares (“**Performance Shares**”) in the Company on the fulfilment of specific conditions (“**Performance Conditions**”). The Directors believe that in certain circumstances the PSP is a more appropriate reward scheme as it will be less dilutive for existing Shareholders given the allotment of Shares will generally be for a lesser number than would be granted under the ESOP (if approved by Shareholders). This is because Performance Shares will be provided for nil cost compared to Options under the ESOP which have an exercise price. Accordingly, to provide the same value to employees the number of Shares issued

would be less than that required for Options. Performance Shares will only be vested on the attaining of Performance Conditions determined by the Board at the time of issue of the Performance Rights which means they are much more closely aligned to ongoing out-performance.

A copy of the PSP will be made available for inspection at the Company's registered office before the General Meeting and at the General Meeting. A summary of the PSP is contained in Annexure E. The main terms of the Performance Rights that may be granted under the PSP are summarised in Annexure F.

To allow the Directors to issue securities pursuant to the PSP as an exception to Listing Rule 7.1 (as discussed above for Resolution 6), Shareholder approval of the PSP is being sought pursuant to Listing Rule 7.2 Exception 9(b). The Company will seek Shareholder approval in accordance with the Listing Rules prior to issuing any Performance Rights under the PSP to Directors or their associates.

## GLOSSARY

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

<b>Annexure</b>	Annexure to this Explanatory Statement
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	ASX Limited.
<b>ASX Listing Rules or Listing Rules</b>	The Listing Rules of the ASX.
<b>Board</b>	Board of Directors.
<b>Company</b>	Gladiator Resources Limited ABN 58 101 026 859.
<b>Constitution</b>	Constitution of the Company.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Director</b>	Director of the Company.
<b>Director Options</b>	Option to subscribe for a share on the terms set out in Annexure B.
<b>ESOP</b>	The Gladiator Resources Limited Employee Share Option Plan, a summary of which is set out in Annexure C.
<b>Meeting or General Meeting</b>	The general meeting of the Company convened by this notice.
<b>Option</b>	An option to acquire Shares.
<b>Performance Right</b>	Means an entitlement to a Performance Share on the terms set out in Annexure F.
<b>PSP</b>	The Gladiator Resources Limited Performance Share Plan, a summary of which is set out in Annexure E.
<b>Resolution</b>	Each of the resolutions contained in this notice of General Meeting.
<b>Share</b>	Fully paid ordinary share in the capital of the Company
<b>Shareholder</b>	Shareholder of the Company.
<b>WST</b>	Western Standard Time.

## ANNEXURE A

### Terms of Shares

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights attaching to the shares of the Company. Full details are contained in the Constitution, available for inspection at the Company's registered office.

**(a) Share Capital**

All issued ordinary shares rank equally in all respects.

**(b) Voting Rights**

At a general meeting of the Company, every holder of shares present in person, by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for every fully paid share held, and for every contributing share held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing share.

**(c) Dividend Rights**

Subject to the rights of holders of shares issued with any special or preferential rights (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend are divisible among the shareholders in proportion to the shares held by them respectively, according to the amount paid up or credited as paid up on the shares.

**(d) Rights on Winding-Up**

Subject to the rights of holders with shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all assets which may be legally distributed amongst the members will be distributed in proportion to the shares held by them respectively, according to the amount paid up or credited as paid up on the share.

**(e) Transfer of Shares**

Shares in the Company may be transferred by instrument in any form which complies with the Constitution, the Corporations Act, Listing Rules, ASX Market Rules, ACH Clearing Rules and ASTC Settlement Rules. Shares may be transferred by such means in accordance with Listing Rules, ASX Market Rules, ACH Clearing Rules and ASTC Settlement Rules. The Directors may refuse to register a transfer of shares only in those circumstances permitted by Listing Rules ASX Market Rules, ACH Clearing Rules and ASTC Settlement Rules.

**(f) Calls on Shares**

Shares issued as fully paid are not subject to any calls for payment by the Company and will not therefore become liable for forfeiture.

**(g) Further Increases in Capital**

The allotment and issue of any new shares is under the control of the Directors and, subject to any restrictions on the allotment of shares imposed by the Constitution, Listing Rules or the Corporations Act, the Directors may allot, issue or grant options over or otherwise dispose of those shares to such persons, with such rights or restrictions as they may from time to time determine.

**(h) Variation of Rights Attaching to Shares**

Where shares of different classes are issued, the rights attaching to the shares of a class can thereafter only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or with the written consent of the holders of at least three quarters of the issued shares of that class.

**(i) General Meeting**

Each shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to shareholders under the Constitution, the Corporations Act and Listing Rules.

## ANNEXURE B

### Terms of Director Options

**(a) Exercise Date**

Series A options are exercisable wholly or in part at any time before 5.00pm (WST) on the date that is 2 years after the options were issued. Series B and Series C options are exercisable wholly or in part at any time before 5.00pm (WST) on the date that is 3 years after the options were issued. Options not exercised by that date shall lapse.

**(b) Exercise Price**

Each Series A, Series B and Series C option shall entitle the option holder to acquire one fully paid ordinary share upon payment of \$0.35, \$0.50 and \$0.70 per option respectively to the Company.

**(c) Notice of Exercise**

Each option may be exercised by notice in writing to the Company at any time before their date of expiry. Any notice of exercise of an option received by the Company with payment in full of the exercise price will be deemed to be a notice of the exercise of that option as at the date of receipt.

**(d) Quotation of Options and Shares on Exercise**

Application will not be made to ASX for official quotation of the options. Application will be made for official quotation of the shares issued upon exercise of options and the Company must use reasonable endeavours in accordance with section 708A(5)(e) of the Corporations Act to give ASX a written notice that complies with section 708A(6) of the Corporations Act. The options are transferable as the option holder thinks fit.

**(e) Participation Rights or Entitlements**

There are no participating rights or entitlements inherent in the options and option holders will not be entitled to participate in new issues of securities 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 9 business days after the issue is announced so as to give option holders the opportunity to exercise their options before the date for determining entitlements to participate in any issue.

**(f) Shares Allotted on Exercise**

Shares allotted pursuant to the exercise of options will be allotted following receipt of all the relevant documents and payments and will rank equally with the issued shares and may not be offered for sale during the 12 month period following issue unless the Company either gives a notice that complies with section 708A(6) of the Corporations Act or lodges a prospectus that qualifies the shares for resale under section 708A(11) of the Corporations Act.

**(g) Reconstruction of Share Capital**

In the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option holder shall be reconstructed in accordance with the Listing Rules.

**(h) Bonus Issues**

If, from time to time, before the expiry of the options the Company makes a pro rata issue of shares to shareholders for no consideration, the number of shares over which an option is exercisable will be increased by the number of shares which the option holder would have received if the option had been exercised before the date for calculating entitlements to the pro rata issue.

**(i) No change in exercise price**

The option holder does not have any rights to a change in the exercise price of the option.



## ANNEXURE C

### Summary of ESOP

The following is a summary of the terms of the Gladiator Resources Limited Employee Share Option Plan (“ESOP”). In the event of any inconsistency between the terms of the ESOP and the summary set out below, the terms of the ESOP will prevail.

#### (a) Participants in the ESOP

The Board may offer free options (“Options”) to persons (“ESOP Participants”) who are directors, senior executives, employees or consultants of/to the Company or any subsidiary based on a number of criteria including contribution to the Company, period of employment, potential contribution to the Company in the future and other factors the Board considers relevant.

Upon receipt of such an offer, the ESOP Participant may nominate a nominee acceptable to the Board to be issued with the Options.

#### (b) Number of Options

The maximum number of Options issued under the ESOP over a 5 year period is 5% of the total number of fully paid ordinary shares on issue in the Company (“Shares”).

#### (c) Terms of Options

Each Option entitles the holder, on exercise, to one Share.

There is no issue price for the Options. The exercise price for the Options will be such price as determined by the Board (in its discretion) on or before the date of issue.

Shares issued on exercise of Options will rank equally with other Shares.

Options may be transferred only to associates of the Participant. Quotation of Options on ASX will not be sought. However, the Company will apply to ASX for official quotation of Shares issued on the exercise of Options.

An Option may only be exercised after that Option has vested and any other conditions imposed by the Board on exercise satisfied. The Board may determine the vesting period and any condition on exercise (if any). An Option will lapse upon the first to occur of the expiry date, the holder acting fraudulently or dishonestly in relation to the Company, or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.

If, in the opinion of the Board any of the following has occurred or is likely to occur:

- (i) the Company entering into a scheme of arrangement;
- (ii) the commencement of a takeover bid for the Company’s Shares; or
- (iii) a party acquiring a sufficient interest in the Company to enable them to replace the Board,

the Board may declare an Option to be free of any conditions of exercise. Options which are so declared may, subject to the lapsing conditions set out above, be exercised at any time on or before their expiry date and in any number.

Options (or Shares issued upon exercise of Options) cannot be disposed of before the earlier of:

- (i) the end of the period of 3 years after the Option was issued; or
- (ii) the date that the ESOP Participant ceases to be employed by the Company or an associated body corporate.

#### (d) Future Issues of Shares

There are no participating rights or entitlements inherent in the Options and ESOP Participants 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 the record date for determining entitlements to any such issue will be at least 7 Business Days after the issue is announced. ESOP Participants shall be afforded the opportunity to exercise all Options which they are entitled to exercise pursuant to the ESOP prior to the date for determining entitlements to participate in any such issue.

**(e) Reconstruction of Capital**

In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each ESOP Participant is entitled or the exercise price of his or her Options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the Listing Rules.

**(f) Taxation**

Under current taxation laws any taxation liability in relation to the Options, or the Shares issued on exercise of the options, will fall on the ESOP Participants.

**(g) Participation by Directors**

Although Directors are eligible to be offered Options under the ESOP, this first requires specific Shareholder approval due to the requirements of the ASX Listing Rules and the Corporations Act.

## ANNEXURE D

### Terms and Conditions of Options under the ESOP

The following is a summary of the terms of Options issued under the Gladiator Resources Limited Employee Share Option Plan (“**ESOP**”). In the event of any inconsistency between the terms of the ESOP and the summary set out below, the terms of the ESOP will prevail.

1. An uncertified holding statement will be issued for the Options;
2. The Options shall expire on the earliest of the relevant dates set out below (“**Expiry Date**”):
  - (a) the date specified by the Board upon the grant of an Option;
  - (b) 30 days (or such later date as the Company’s Board determines in its sole discretion) after a person or corporation becomes entitled to proceed to compulsory acquisition of the shares pursuant to section 661 of the Corporations Act. In such event, the Company shall notify (in writing) the ESOP Participant of the Expiry Date as soon as possible after the Company becomes aware that the person or corporation has become entitled to proceed to compulsory acquisition; and
  - (c) 10 days (or such later date as the Company’s Board determines in its sole discretion) after the Company convenes a meeting of Shareholders in order to enter into a plan of arrangement (pursuant to the provisions of the Corporations Act) which, if implemented would result in a person or corporation becoming entitled to not less than 90% of the Shares. In such event, the Company shall notify (in writing) the ESOP Participant of the Expiry Date as soon as practicable after the Company convenes the aforementioned meeting.
3. Each Option shall carry the right in favour of the ESOP Participant to subscribe for 1 Share.
4. Shares allotted to ESOP Participants on exercise of Options shall be issued at an exercise price determined by the Board in its discretion (“**Exercise Price**”) provided that in no event shall the Exercise Price be less than the weighted average sale price of Shares sold on ASX during the five business days prior to the Issue Date or such other period as determined by the Board in its discretion.
5. The Exercise Price of Shares the subject of the Options shall be payable in full on exercise of the Options.
6. Options shall be exercisable at any time up to and including the Expiry Date by the delivery to the registered office of the Company of a notice in writing stating the intention of the ESOP Participant to:
  - (a) exercise all or a specified number of Options; and
  - (b) pay the Exercise Price by way of subscription monies in full for the exercise of each Option.

The notice must be accompanied by a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some Options shall not affect the rights of the ESOP Participant to the balance of the Options held by the ESOP Participant.
7. The Company shall allot the resultant Shares and deliver the share certificate or uncertified holding statement within 5 business days of the exercise of the Options.
8. Options shall not be listed for Official Quotation on ASX.
9. The Options are transferable only to associates of the ESOP Participant.
10. Shares allotted pursuant to an exercise of the Options shall rank from the date of allotment, equally with existing Shares in all respects.
11. The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of Options listed for Official Quotation on ASX.
12. In the event of a reconstruction (including consolidation, subdivision, reduction or return of the issued capital of the Company), all rights of the ESOP Participant shall be reconstructed in accordance with the Listing Rules.

13. Subject to paragraph 12, the ESOP Participant shall have no right to a change in the Exercise Price of an Option or a change to the number of Shares over which an Option can be exercised.
14. If the Company enters into a scheme of arrangement, a takeover bid is made for the Company's Shares, or a party acquires a sufficient interest in the Company to enable them to replace the Board (or the Board forms the view that one of those events is likely to occur) then the Board may declare an Option to be free of any conditions of exercise. Options which are so declared may be exercised at any time on or before they lapse.
15. There are no participating rights or entitlement inherent in the Options and ESOP Participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company 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 seven (7) business days after the issue is announced so as to give holders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.

## ANNEXURE E

### Summary of PSP

The following is a summary of the Gladiator Resources Limited Performance Share Plan (“PSP”). In the event of any inconsistency between the terms of the PSP and the summary set out below, the terms of the PSP will prevail.

#### (a) Participants in the PSP

The Board may issue rights to shares in the Company (“Performance Rights”) to persons (“PSP Participants”) (or their nominees) who are directors, senior executives, employees or consultants of/to the Company or any subsidiary based on a number of criteria including contribution to the Company, period of employment, potential contribution to the Company in the future and other factors the Board considers relevant.

#### (b) Number of Performance Rights

The maximum number of Performance Rights issued under the PSP over a 5 year period is 5% of the total number of fully paid ordinary shares on issue in the Company (“Shares”).

#### (c) Nature of Performance Rights

A PSP Participant’s rights under the PSP are purely contractual and personal.

#### (d) Terms of Performance Rights

Each Performance Right entitles the holder, on exercise, to one Share (“Performance Share”).

There is no issue price for the Performance Rights. The exercise price for the Performance Rights (if any) will be such price as determined by the Board (in its discretion) on or before the date of issue.

Performance Shares issued on exercise of Performance Rights will rank equally with other Shares.

Performance Rights may only be transferred with the consent of the Board or by force of law upon the death of a PSP Participant. Performance Shares may only be transferred upon the expiration of a period (if any) advised to the PSP Participant at the time the Performance Rights relating to those Performance Shares were issued.

Quotation of Performance Rights on ASX will not be sought. However, the Company will apply to ASX for official quotation of Performance Shares issued on the exercise of Performance Rights.

A Performance Right may only be exercised after that Performance Right has vested. A Performance Right vests upon satisfaction of specific conditions (“Performance Conditions”) as determined by the Board. The Board may determine the vesting period and any condition on exercise.

An unvested Performance Right will lapse upon the first to occur of the Performance Conditions not being satisfied by the expiry date, the PSP Participant acting fraudulently or dishonestly in relation to the Company, or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.

A Performance Right which has vested but has not been exercised will lapse upon the first to occur of the close of business on the last day of any exercise period, the transfer or purported transfer without the consent of the Board, the PSP Participant acting fraudulently or dishonestly in relation to the Company, or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.

Where a PSP Participant ceases to be employed by reason of death, disability, bona fide redundancy or other reason approved by the Board, then:

- (i) if any Performance Rights have vested but have not been exercised, they will remain exercisable by the PSP Participant’s estate until the rights lapse as if they still belonged to the PSP Participant; or
- (ii) if any Performance Rights have not vested, the Board will determine how many Performance Rights (if any) will be deemed to have vested and the exercise period applicable to those rights.

The Board may declare an unvested Performance Right immediately vest if, in the opinion of the Board, any of the following has occurred or is likely to occur:

- (i) the Company entering into a scheme of arrangement;
- (ii) the commencement of a takeover bid for the Company's Shares; or
- (iii) a party acquiring a sufficient interest in the Company to enable them to replace the Board; and
- (iv) the PSP Participant's pro-rata performance is in line with the Performance Conditions applicable to those Performance Rights.

The exercise of any vested Performance Right will be effected in the form and manner determined by the Board and where an amount is payable on the vesting of the Performance Right, will be accompanied by payment.

**(e) Future Issues of Shares**

There are no participating rights or entitlements inherent in the Performance Rights and PSP Participants will not be entitled to participate in new issues of capital offered to Shareholders unless a Performance Right has vested and been exercised and a Performance Share has been issued in respect of that Performance Right. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 7 Business Days after the issue is announced. PSP Participants shall be afforded the opportunity to exercise all Performance Rights which have vested pursuant to the PSP prior to the date for determining entitlements to participate in any such issue.

**(f) Reconstruction of Capital**

In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the vesting of any Performance Rights, the number of Performance Shares to which each PSP Participant is entitled upon exercise of the Performance Rights or any amount payable on exercise the Performance Rights or both will be adjusted in a manner determined by the Board which complies with the provisions of the Listing Rules to ensure that no advantage or disadvantage accrues to the PSP Participant as a result of such corporate actions.

**(g) Taxation**

Under current taxation laws any taxation liability in relation to the Performance Rights, or the Shares issued on exercise of the Performance Rights, will fall on the PSP Participants.

**(h) Participation by Directors**

Although Directors are eligible to be offered Performance Rights under the PSP, this first requires specific Shareholder approval due to the requirements of the ASX Listing Rules and the Corporations Act.

## ANNEXURE F

### Terms and Conditions of Performance Rights under the PSP

The following is a summary of the terms of Performance Rights issued under the Gladiator Resources Limited Performance Share Plan (“PSP”). In the event of any inconsistency between the terms of the PSP and the summary set out below, the terms of the PSP will prevail.

1. Upon issue of the Performance Rights, a certificate will be issued to the PSP Participant;
2. Each Performance Right shall carry the right in favour of the PSP Participant to be issued one Performance Share on satisfaction of the Performance Conditions.
3. A Performance Right may only be exercised after that Performance Right has vested. A Performance Right vests upon satisfaction of the Performance Conditions as determined by the Board. The Board may determine the vesting period and any condition on exercise.
4. An unvested Performance Right will lapse upon the first to occur of the Performance Conditions not being satisfied by the expiry date as determined by the Board, the PSP Participant acting fraudulently or dishonestly in relation to the Company, or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.
5. A Performance Right which has vested but has not been exercised will lapse upon the first to occur of the close of business on the last day of any exercise period, the transfer or purported transfer without the consent of the Board, the PSP Participant acting fraudulently or dishonestly in relation to the Company, or on certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.
6. Performance Shares allotted to PSP Participants on exercise of Performance Rights shall be issued at an exercise price determined by the Board in its discretion on or before the date of issue.
7. The exercise of any vested Performance Right will be effected in the form and manner determined by the Board and where an amount is payable on the vesting of the Performance Right, will be accompanied by payment.
8. The Company shall allot the resultant Performance Shares and deliver the share certificate or uncertified holding statement within 5 business days of the exercise of the Performance Rights.
9. Performance Rights shall not be listed for Official Quotation on ASX.
10. The Company shall, in accordance with the Listing Rules, make application to have the Performance Shares allotted pursuant to an exercise of Performance Rights listed for Official Quotation on ASX.
11. Performance Rights may only be transferred with the consent of the Board or by force of law upon the death of a PSP Participant. Performance Shares may only be transferred upon the expiration of a period (if any) advised to the PSP Participant at the time the Performance Rights relating to those Performance Shares were issued.
12. Performance Shares allotted pursuant to an exercise of the Performance Rights shall rank from the date of allotment, equally with existing Shares in all respects.
13. In the event of a reconstruction (including consolidation, subdivision, reduction or return of the issued capital of the Company), all rights of the PSP Participant shall be reconstructed in accordance with the Listing Rules.
14. The Board may declare an unvested Performance Right immediately vest if, in the opinion of the Board, any of the following has occurred or is likely to occur:
  - the Company entering into a scheme of arrangement;
  - the commencement of a takeover bid for the Company’s Shares; or
  - a party acquiring a sufficient interest in the Company to enable them to replace the Board; and
  - the PSP Participant’s pro-rata performance is in line with the Performance Conditions applicable to those Performance Rights.

15. There are no participating rights or entitlements inherent in the Performance Rights and PSP Participants will not be entitled to participate in new issues of capital offered to Shareholders unless a Performance Right has vested and been exercised and a Performance Share has been issued in respect of that Performance Right. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 7 Business Days after the issue is announced. PSP Participants shall be afforded the opportunity to exercise all Performance Rights which have vested pursuant to the PSP prior to the date for determining entitlements to participate in any such issue.
16. In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the vesting of any Performance Rights, the number of Performance Shares to which each PSP Participant is entitled upon exercise of the Performance Rights or any amount payable on exercise the Performance Rights or both will be adjusted in a manner determined by the Board which complies with the provisions of the Listing Rules to ensure that no advantage or disadvantage accrues to the PSP Participant as a result of such corporate actions.





**GLADIATOR RESOURCES LIMITED**  
**ABN 58 101 026 859**

**Proxy Form**

**Shareholder Details**

Name: .....

Address: .....

Contact Telephone No: .....

Contact Name (if different from above): .....

**Appointment of Proxy**

I/We being a shareholder/s of Gladiator Resources Limited and entitled to attend and vote hereby appoint

The Chairman  
of the meeting  
  
(mark with an 'X')

**OR**

Write here the name of the person you are appointing if this person is **someone other than** the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting Members of Gladiator Resources Limited to be held at RSM Bird Cameron, 8 St Georges Terrace, Perth, Western Australia on Tuesday, 15 June 2010 at 9.00 am WST and at any adjournment of that meeting.

**IMPORTANT**

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, please place a mark in this box with an 'X'. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by him, other than as a proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolutions and your votes will not be counted in computing the required majority if a poll is called. The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.



**Voting directions to your proxy – please mark  to indicate your directions**

		For	Against	Abstain*
<b>Ordinary Business</b>				
Resolution 1	Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval for Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Director Options – G Wedlock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Director Options – J Palermo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Director Options – T Adams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of the Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of the Performance Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

**Appointment of a second proxy** (see instructions overleaf)

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

**PLEASE SIGN HERE**

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented

**Individual or Shareholder 1**

Sole Director and  
Sole Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director/Company Secretary

# How to complete this Proxy Form

## 1 Your Name and Address

Please print your name and address as it appears on your holding statement and the company's share register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

## 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company.

## 3 Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

## 4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning John Palermo on (08) 9443 1600 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

## 5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the company's share registry. If you have not previously lodged this document for notation, 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, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

## 6 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting i.e. no later than 9.00 am WST on Sunday, 13 June 2010. Any Proxy Form received after that time will not be valid for the scheduled meeting.

**This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at Level 1, 284 Oxford Street, Leederville, WA, 6007 or sent by facsimile to the registered office on (08) 9242 5903.**