



Union Resources Limited

A.B.N. 40 002 118 872

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Level 1, 500 Boundary Street, Spring Hill

Postal Address:
PO Box 728
Spring Hill Q
Australia 4004

26 October 2010

Company Announcements Office
Australian Securities Exchange

2010 ANNUAL GENERAL MEETING

The Company's 2010 Annual General Meeting will be held on 24 November 2010.

Please find attached the following documents which have been sent to the Company's shareholders:

1. Notice of Annual General Meeting; and
2. Proxy Form.

Yours faithfully

UNION RESOURCES LIMITED

John Lemon
Director/Company Secretary



Union Resources Limited

A.B.N. 40 002 118 872

Tel: +61 7 3833-3833
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Level 1, 500 Boundary Street, Spring Hill,
Brisbane, Qld, Australia

Postal Address:
PO Box 728
Spring Hill, Q
Australia 4004

NOTICE OF ANNUAL GENERAL MEETING

Date of Meeting: Wednesday, 24 November 2010
Time of Meeting: 2.00 pm (New South Wales Time)
Place of Meeting: Ground Floor
Sofitel Sydney Wentworth Hotel
61-101 Phillip Street
Sydney, NSW
Australia

This Notice of Annual General Meeting should be read in its entirety.
If you are in doubt as to how to vote at the meeting you should seek advice from your
accountant, solicitor or other professional adviser before voting.

UNION RESOURCES LIMITED
ABN 40 002 118 872

NOTICE OF ANNUAL GENERAL MEETING

The 2010 Annual General Meeting of Union Resources Limited ("the Company") will be held on the Ground Floor, Sofitel Sydney Wentworth Hotel, 61-101 Phillip Street, Sydney, New South Wales, Australia on Wednesday, 24 November 2010 at 2.00 pm (New South Wales time).

The Company's 2010 Annual Report can be accessed via the Company's website at <http://www.unionresources.com.au/UCL/documents/annual.html>.

AGENDA

1. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, Directors' Report and Independent Audit Report for the Company and its controlled entities for the financial year ended 30 June 2010.

2. QUESTIONS AND COMMENTS

Shareholders will be given a reasonable opportunity to:

- (i) ask questions about or comment on the management of the Company; and
- (ii) ask the Auditor's representative questions relevant to the Auditor's audit of the Financial Report.

The Auditor's representative will also be given a reasonable opportunity to answer any written questions submitted to the Auditor prior to the Meeting in accordance with the *Corporations Act 2001* (Cwth).

3. RESOLUTION 1 - RE-ELECTION OF DIRECTOR – MR JAMES COLLINS-TAYLOR

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

"That Mr James Collins-Taylor, who retires in accordance with the Company's constitution and being eligible offers himself for re-election, is re-elected a director of the Company."

4. RESOLUTION 2 - RATIFICATION OF ISSUE OF OPTIONS

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

"That the issue of 9,000,000 options to subscribe for shares in the capital of the Company to Weitzenberg Foundation Vaduz on 22 April 2010 is approved for the purposes of ASX Listing Rule 7.4 and for all other purposes."

5. RESOLUTION 3 - EMPLOYEE SHARE OPTION PLAN – ISSUE APPROVAL

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

"That the issue of securities in accordance with the Union Resources Limited Employee Share Option Plan be approved for the purposes of ASX Listing Rule 7.2 and for all other purposes."

6. RESOLUTION 4 - AMENDMENT OF CONSTITUTION

To consider and, if thought appropriate, pass the following resolution as a **special resolution**:

"That the constitution of the Company be amended by:

- (i) *Inserting the following definitions in clause 1.1:*
"Approving Resolution means a resolution passed in accordance with clause 105.

Approving Resolution Deadline in relation to a proportional takeover bid means the day that is the 14th day before the last day of the bid period.”; and

(ii) Inserting the following clause as clause 105:

“105 Proportional takeover bid

105.1 Registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a proportional takeover bid is prohibited unless and until an Approving Resolution approving the proportional takeover bid is passed.

105.2 A person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the proportional takeover bid was made, held bid class Shares is entitled to:

(a) vote on a Approving Resolution; and

(b) has one vote for each bid class Share held.

105.3 Where offers have been made under a proportional takeover bid, the Directors must ensure that an Approving Resolution is voted on at a meeting of the persons described in clause 105.2 before the Approving Resolution Deadline.

105.4 An Approving Resolution is passed if more than 50% of the votes cast on the resolution are cast in favour of the resolution, and otherwise is taken to have been rejected.

105.5 The provisions of this Constitution that apply to a general meeting of the Company apply, with such modifications as the circumstances require, to a meeting that is called under this clause as if the meeting was a general meeting of the Company.

105.6 If an Approving Resolution to approve the proportional takeover bid is voted on in accordance with this clause before the Approving Resolution Deadline, the Company must, on or before the Approving Resolution Deadline, give:

(a) the bidder; and

(b) each relevant financial market,

a written notice stating that an Approving Resolution to approve the proportional takeover bid has been voted on and whether it was passed or rejected.

105.7 If no resolution has been voted on in accordance with this clause as at the end of the day before the Approving Resolution Deadline, a resolution to approve the proportional takeover bid is taken, for the purposes of this clause, to have been passed in accordance with this clause.

105.8 Under the Corporations Act, this clause 105 automatically ceases to have effect at the end of 3 years after:

(a) the date of adoption of this Constitution; or

(b) the date of the Company's most recent renewal of this clause 105 (if applicable),

whichever is the later.”

7. RESOLUTION 5 - REMUNERATION REPORT

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

“That the Remuneration Report for the year ended 30 June 2010 be adopted.”

8. RESOLUTION 6 – REMOVAL OF DIRECTOR – MR JAMES COLLINS-TAYLOR

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

“That Mr James Collins-Taylor be removed as a director of the Company with immediate effect.”

**BY ORDER OF THE BOARD
UNION RESOURCES LIMITED**



J A Lemon
Director/Company Secretary

26 October 2010

UNION RESOURCES LIMITED
ABN 40 002 118 872

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM

INTRODUCTION

This Explanatory Memorandum forms part of the notice convening the Company's Annual General Meeting to be held on Wednesday, 24 November 2010. This Explanatory Memorandum is to assist Shareholders in understanding the background to and implications of the resolutions proposed, and procedural matters concerning the Meeting. Terms used in this Explanatory Memorandum are defined in Section 13.

1. AGENDA ITEM 1 – CONSIDERATION OF REPORTS

- 1.1 The Financial Report, the Directors' Report and the Independent Audit Report for the year ended 30 June 2010 will be presented for consideration.
- 1.2 The abovementioned reports were released by the Company to ASX on 30 September 2010. They can be viewed at the Company's website at <http://www.unionresources.com.au/UCL/documents/annual.html>. Shareholders are not required to vote on the reports, however Shareholders will be given a reasonable opportunity to ask questions concerning the reports.

2. AGENDA ITEM 2 – QUESTIONS AND COMMENTS

- 2.1 The chairman of the meeting ("the Chairman") will give Shareholders a reasonable opportunity to ask questions about or make comments on the management of the Company.
- 2.2 A representative of the Company's auditor will attend the Meeting. The Chairman will give Shareholders a reasonable opportunity to ask the Auditor's representative questions relevant to:
 - (i) the conduct of the audit; and
 - (ii) the preparation and content of the Auditor's report; and
 - (iii) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (iv) the independence of the Auditor in relation to the conduct of the audit.
- 2.3 The Chairman will also give the Auditor's representative a reasonable opportunity to answer written questions submitted to the Auditor in accordance with the *Corporations Act 2001* (Cwth). A list of written questions, if any, submitted by Shareholders will be made available at the start of the meeting, and any written answer tabled by the Auditor's representative at the meeting will be made available to Shareholders as soon as practicable after the meeting.
- 2.4 Note:

Pursuant to section 250PA *Corporations Act 2001* (Cwth) a shareholder entitled to vote at the Meeting may submit a written question to the Company's auditor if the question is relevant to:

 - (i) the content of the Auditor's report to be considered at the Annual General Meeting; or
 - (ii) the conduct of the audit of the annual financial report to be considered at the Annual General Meeting.
- 2.5 A shareholder must give the question to the Company (who will pass it on to the Auditor) **no later than Wednesday, 17 November 2010**. If you wish to submit a question to the Company's auditor please deliver it, marked "Attention: The Company Secretary, Union Resources Limited", to the Company either personally or by post or facsimile to the address or facsimile number designated in Section 9.6 of this Explanatory Memorandum. Alternatively, if you are submitting a Proxy Form (see section 9 of this Explanatory Memorandum) you may send it together with the Proxy Form, provided it is received **by 5.00 pm on Wednesday, 17 November 2010**.

3. AGENDA ITEM 3 (RESOLUTION 1) – RE-ELECTION OF DIRECTOR – MR JAMES COLLINS-TAYLOR

- 3.1 In accordance with the Company's constitution Mr James Collins-Taylor retires by rotation at the end of the Annual General Meeting and, being eligible, offers himself for re-election as a director of the Company.
- 3.2 Mr Collins-Taylor has been a Director since May 2005. Mr Collins-Taylor is a chartered accountant and was formerly with Deloitte Touché Tohmatsu for 12 years. He has worked in the private equity and venture capital fields in Asia since 1992. He has extensive corporate finance experience and has been involved in a number of major transactions involving companies listed on the London and Hong Kong Stock Exchanges. Mr Collins-Taylor is currently a director of Gold Aura Limited (since 2005). Mr Collins-Taylor was until earlier this year the Company's Chairman of Directors and is a member of the Company's Audit Committee and Remuneration & Nomination Committee.
- 3.3 The Company's directors (with Mr Collins-Taylor abstaining) recommend that Shareholders vote in favour of Resolution 1.

4. AGENDA ITEM 4 (RESOLUTION 2) – RATIFICATION OF ISSUE OF OPTIONS

- 4.1 In June 2008 Union Resources Limited ("Union") acquired Namibian company Sea Phosphates (Namibia) Pty Limited ("SPL") from Weitzenberg Foundation Vaduz ("WFV"). SPL holds two Exclusive Prospecting Licences nos. 3414 and 3415 ("the EPLs") issued by the Namibian Ministry of Mines and Energy for Phosphates and Precious Stones. The EPLs form part of the Namibian Sandpiper-Meob Joint Venture Phosphate Project carried on by Union and its joint venture partners ASX-listed Minemakers Limited and Namibian company Tungeni Investments cc.
- 4.2 On 22 April 2010 the Company issued 9,000,000 options to subscribe for shares in the capital of the Company to WFV as partial consideration for the acquisition of SPL from WFV. (The balance of the consideration provided by the Company to WFV for the acquisition was:
- (i) the issue of 9,000,000 shares in the capital of the Company;
 - (ii) payment of the sum of \$500,000; and
 - (iii) the grant of a royalty, capped at US\$10,000,000, equal to 3% of gross revenue derived from sales of product derived from the ore mined on the site of the EPLs.
- 4.3 Subject to a number of exceptions, ASX Listing Rule 7.1 provides that a company must not issue "equity securities" (shares, options, etc) without shareholder approval if the number of securities issued would, of itself or when added to the number of other equity securities issued by the company in the previous 12 months, exceed 15% of the number of ordinary shares of the Company on issue at the commencement of the 12 month period. ASX Listing Rule 7.4.2 provides that a company's shareholders may approve an issue of securities after the fact (provided the issue did not breach the 15% limit) so that the securities which were issued are regarded as having been issued with shareholder approval for the purpose of Listing Rule 7.1.
- 4.4 Accordingly, the proposed resolution in Agenda item 4 is seeking Shareholder ratification of the issue of the options which were issued without Shareholder approval. The issue of the options was within the 15% limit permitted by ASX Listing Rule 7.1. Nevertheless, the Company is requesting that Shareholders ratify the issue of the options for the purpose of ASX Listing Rule 7.4.2 so that the Company will have the flexibility to issue further securities under ASX Listing Rule 7.1 if the need or opportunity arises.
- 4.5 As required by ASX Listing Rule 7.5, the following information is provided:
- (i) 9,000,000 options were issued.
 - (ii) The 9,000,000 options were issued as partial consideration for the acquisition of SPL (refer paragraph 4.1 (above)).
 - (iii) The options are exercisable at \$0.13 (13 cents) per option and expire on 30 April 2011. The balance of the option terms are set out in annexure A.
 - (iv) The options were issued to Weitzenberg Foundation Vaduz.
 - (v) No funds were raised through the issue of the options.

(vi) Voting Exclusion Statement

As required by the ASX Listing Rules, the Company will disregard any votes cast on this resolution by:

- Weitzenberg Foundation Vaduz; and
- an associate (as defined in the ASX Listing Rules) of Weitzenberg Foundation Vaduz.

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 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.

4.6 The Company's directors recommend that Shareholders vote in favour of Resolution 2.

5. AGENDA ITEM 5 (RESOLUTION 3) – EMPLOYEE SHARE OPTION PLAN – ISSUE APPROVAL

5.1 The Company's directors adopted the Union Resources Limited Employee Share Option Plan ("the Plan") on 19 October, 2007 to help attract and retain the services of persons who are viewed as important to the future success of the Company and as a means of rewarding and incentivising the Company's employees and contractors in a cost-effective way which helps to align employees' and contractors' interests with those of the Company's shareholders. The Company's directors propose from time to time to approve the issue of options under the Plan to employees and contractors of the Company. The Plan also make provision for the issue of options to directors of the Company, however in accordance with ASX Listing Rules requirements Shareholder approval will be sought for the issue of any options to directors of the Company under the Plan.

5.2 The ASX Listing Rules do not require an ASX-listed company to obtain shareholder approval for the adoption or continued operation of an employee incentive scheme, however (as stated above) ASX Listing Rule 7.1, with certain exceptions, prohibits ASX-listed companies, without shareholder approval, issuing in any 12 month period more than 15% of the equity securities on issue in the company at the start of the 12 month period. One of the exceptions to Listing Rule 7.1 is exception 9(b) in ASX Listing Rule 7.2 which provides that if a company's shareholders have approved the issue of securities under an employee incentive scheme within 3 years before the issue of any securities under the scheme the securities issued will not count towards the 15% limit in Listing Rule 7.1.

5.3 The Company's directors have the power to issue options and subsequently shares under the Plan, however the Directors consider it prudent to seek shareholder approval so that such issues will not be taken into account for the purpose of the 15% limit under Listing Rule 7.1. Shareholder approval for issues under the Plan was last obtained at the Company's annual general meeting held on 23 November 2007, therefore the 3 year period referred to in Exception 9 will have expired by the date of the Meeting. The purpose of proposed Resolution 3 therefore is to renew Shareholder approval. As required by ASX Listing Rule 7.2 (Exception 9(b)) the following information is provided:

- (i) Since 23 November 2007 (the date of the last approval) 3,000,000 options were issued under the Plan (all the options have subsequently lapsed without being exercised).
- (ii) The following is a summary of the terms of the Plan:
 - The stated purpose of the Plan is to aid in:
 - attracting and retaining the services of persons who are likely to contribute to the growth and success of the Company; and
 - rewarding and incentivising employees and contractors in a cost-effective way which helps to align employees' and contractors' interests with those of the Company's shareholders.
 - Persons eligible to participate in the Plan are directors, officers and employees (full-time and part-time) of, and contractors to, Union Resources Limited and any company in the Union Resources Limited Group of companies.
 - The Board may from time to time invite eligible persons to participate in the Plan on terms and conditions which are not inconsistent with the Plan rules. The Board may offer options to subscribe for ordinary shares in the capital of the

Company to any eligible person it determines, and determine the extent of that person's participation in the Plan. An offer by the Board shall specify the exercise price and expiry date of the options and any other matters the Board determines, including performance conditions attaching to the options.

- The total number of options on issue under the Plan must not at any time exceed 10% of the total number of fully paid ordinary shares on issue in the capital of the Company at that time.
- Options will be issued at no cost to eligible persons who accept an offer of options. An eligible person may nominate a company in which the eligible person beneficially owns the majority of voting shares to receive options instead of the eligible person. It is in the Board's discretion whether to agree to this.
- Options issued under the Plan will not be quoted on ASX.
- Options issued under the Plan may only be transferred with Board approval.
- Upon exercise of options issued under the Plan the eligible person will be issued with fully paid ordinary shares in the capital of the Company. The shares will be subject to the same terms and conditions as, and rank equally with, all other fully paid ordinary shares in the capital of the Company then on issue.
- The Company will apply to ASX for official quotation of shares issued upon exercise of options issued under the Plan.
- A participant's options will lapse within 30 days of the participant ceasing to be an eligible person (i.e. a director, officer, employee, contractor, etc.) for any reason other than retirement (at a retirement age determined by the Board), permanent disability, redundancy or death, or, if the holder of the shares is a company nominated by an eligible person (see above), the eligible person ceasing to beneficially own a majority of the voting shares in that company.
- Holders of options issued under the Plan may only participate in new issues of securities by the Company if they have first exercised their options. Option holders shall be afforded a period of at least 14 days before the record date to determine entitlements to the issue, to exercise the options.
- If there is a bonus issue the number of shares over which an option can be exercised will be increased commensurately.
- If there is a pro rata issue (except a bonus issue), the exercise price of an option may be reduced according to the formula in paragraph (e) on page 7 of this Notice of General Meeting.
- If there is a reorganisation of the Company's issued capital the options must be reorganised as prescribed by the ASX Listing Rules.
- If a takeover bid is made in relation to the Company, a scheme of arrangement proposed in relation to the Company, or a change of shareholding occurs which results in a person or persons being able to alter the majority composition of the Company's board of directors, options on issue under the Plan may be exercised without restriction, subject to compliance with procedural requirements.
- The Company's Board is charged with administering the Plan in accordance with the Plan Rules.
- If any provisions of the Plan rules are inconsistent with the ASX Listing Rules the ASX Listing Rules shall prevail to the extent of the inconsistency, and nothing may be done under the Plan which is inconsistent with the ASX Listing Rules.
- The Plan is governed by the laws of Queensland.

(iii) **Voting exclusion statement**

As required by the ASX Listing Rules the Company will disregard any votes cast on this resolution by:

- a director of the Company; and
- an associate (as defined in the ASX Listing Rules) of a director of the Company.

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 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.

5.4 A copy of the Plan rules is available free of charge on request.

5.5 The company's directors recommend that Shareholders vote in favour of Resolution 3.

6. AGENDA ITEM 6 (RESOLUTION 4) – AMENDMENT OF CONSTITUTION

6.1 The Company's constitution does not contain proportional takeover bid provisions. A proportional takeover bid occurs when a bidder makes an offer to acquire a specified proportion only of the shares of each shareholder's shares in the target company. The proposed new clause 105, if adopted, would enable the Company to prohibit the registration of a transfer of shares resulting from a proportional takeover bid unless the bid is approved by a meeting of Members convened in accordance with clause 105. The following information is provided in accordance with subsection 648G(5) *Corporations Act 2001*.

- **Effect of proposed proportional takeover provisions in Article 78**

The effect of the proposed provisions is that:

- (a) if a proportional takeover bid is made the Directors must convene a meeting of Shareholders to vote on a resolution to approve the offer. That meeting must be held at least 15 days before the close of the bid period;
- (b) the vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the takeover bid was made held bid class shares, is entitled to vote. Neither the bidder nor an associate of the bidder may vote;
- (c) if the resolution is not voted on at least 15 days before the close of the bid period a resolution approving the proportional bid is deemed to have been passed;
- (d) if the resolution is rejected, the registration of any transfer of shares resulting from the proportional bid will be prohibited and, under the *Corporations Act*, the offer will be deemed to be withdrawn; and
- (e) if the resolution is approved, the relevant transfers of shares will be registered provided they comply with the other provisions of the Company's constitution.

The provisions of clause 105 will not apply to full takeover bids. If the provisions are adopted, they will expire in accordance with the *Corporations Act* three (3) years after the date of their adoption unless renewed by a special resolution of Shareholders.

- **Reasons for proposing the resolution**

The Company's directors consider that inclusion of the proposed provisions in clause 105 is in the best interests of Shareholders. The Board considers that Shareholders should have the opportunity to decide whether a proposed proportional takeover bid should proceed by voting upon it. If it does proceed, individual Shareholders can make a separate decision as to whether they wish to accept the offer.

A proportional takeover bid for the Company may enable control of the Company to be acquired by a party holding less than a majority interest and without Shareholders having the opportunity to dispose of all of their shares, with the result that Shareholders could be at risk of being left as part of a minority interest in the Company. It also means that the bidder may acquire control of the Company without paying an adequate premium for gaining control. If the Constitution includes these proportional takeover provisions it will minimise the risk to Shareholders.

- **Present acquisition proposals**

As at the date of this Notice, none of the Company's directors are aware of any proposal by a person to acquire, or increase the extent of, a substantial interest in the Company.

- **Potential advantages of the proportional takeover provisions for the Directors and Shareholders**

The proposed provisions:

- (a) will enable the Board to formally ascertain the views of Shareholders in respect of a proportional takeover bid;
- (b) will ensure that Shareholders will have an opportunity to study a proportional takeover bid and vote on whether the bid should be permitted to proceed;
- (c) will enable Shareholders to prevent a proportional takeover bid from proceeding if they believe that control of the Company should not be permitted to pass under the bid; and
- (d) may encourage a proportional bid to be structured so as to be attractive to a majority of independent Shareholders.

- **Potential disadvantages of the proportional takeover provisions for the Directors and Shareholders**

The proposed provisions may:

- (a) discourage proportional takeover bids for the Company;
- (b) as a result reduce any speculative element in the market price of the Company's shares or deny Shareholders the opportunity of selling some of their shares at a premium; and
- (c) restrict the ability of individual Shareholders to deal freely with their shares in some circumstances.

- 6.2 The Company's directors consider that it is in the interest of Shareholders to have a right to decide if any proportional takeover bid should proceed and recommend the inclusion of the proportional takeover bid provisions in the Company's constitution.
- 6.3 Resolution 4 may only be passed by a special resolution, i.e. by a resolution that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.
- 6.4 The Company's directors recommend that shareholders vote in favour of Resolution 5.

7. AGENDA ITEM 7 (RESOLUTION 5) – REMUNERATION REPORT

- 7.1 The Remuneration Report is contained in the Company's 2010 Annual Report commencing on page 9. The Remuneration Report's contents include:
 - (i) an explanation of the Board's policy for remuneration of the Company's directors and management; and
 - (ii) details of remuneration paid to the Company's directors and executives.
- 7.2 Under the *Corporations Act 2001* (Cwth) a resolution that the Remuneration Report be adopted must be put to a vote of shareholders at the Company's Annual General Meeting.
- 7.3 The Chairman will give shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.
- 7.4 The vote on the resolution is advisory only and does not bind the Company or the Company's directors. However the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.
- 7.5 The Company's directors recommend that Shareholders vote in favour of Resolution 5.

8. AGENDA ITEM 8 (RESOLUTION 6) – REMOVAL OF DIRECTOR – MR JAMES COLLINS-TAYLOR

- 8.1 As announced to ASX on 12 October 2010 the Company received a notice pursuant to section 249D *Corporations Act 2001* (Cwth) from Shareholder Minemakers Limited (“Minemakers”) (being a holder of at least 5% of the votes that may be cast at a general meeting of members of the Company and therefore entitled to give such a notice) requesting that the Company convene a meeting of shareholders at which Resolution 6 is to be proposed.
- 8.2 Under the *Corporations Act 2001* (Cwth) the Company must call such a meeting within 21 days after receipt of the notice and the meeting must be held not later than 2 months after receipt of the notice. The Company has elected to have the matter dealt with at the Company’s annual general meeting on 24 November 2010 to avoid the expense of calling a further meeting for the purpose only of considering the proposed resolution.
- 8.3 The Company invited Minemakers to provide its reasons for proposing Resolution 6 so that the reasons might be included in this Notice of Annual General Meeting. Minemakers’ response was that it will not be providing further comment.
- 8.4 Directors Ian Ross and Chris Jordinson make no recommendation to Shareholders in relation to voting on Resolution 6. Director John Lemon recommends that Shareholders vote against Resolution 6 for the following reasons:
- (i) Minemakers has not given a reason for seeking the removal of Mr. Collins-Taylor as a Director.
 - (ii) Mr. Collins-Taylor has served the Company well, including for a period as Chairman, and has brought considerable commercial and financial acumen to the role.
 - (iii) Mr. Collins-Taylor has much accumulated knowledge about the Company and its projects which will be lost if he is removed.
 - (iv) Mr. Collins-Taylor has been a very strong contributor as a member of the Company’s Audit Committee and the Audit Committee will be considerably weakened if he is no longer a member.
 - (v) Mr. Collins-Taylor is arguably the Company’s only truly independent Director.
- 8.5 Director James Collins-Taylor abstains from making a recommendation to Shareholders in relation to voting on Resolution 6, but makes the following observations:
- (i) he (Mr. Collins-Taylor) believe that Minemakers has proposed Resolution 6 because he has in the past (a) been critical of Minemakers’ lack of progress on the marine side of operations in relation to the Namibian Sandpiper/Meob Project (Minemakers and Namibian company Tungeni Investments cc are the Company’s joint venture partners in the Sandpiper/Meob Project); and (b) highlighted what he (Mr. Collins-Taylor) believes is a conflict of interest between Minemakers’ interests in the Sandpiper/Meob Project and Minemakers’ Wonarah Project in Australia.;
 - (ii) he (Mr. Collins-Taylor) believes that it is important for the Company to have strong independent directors not appointed by either of the Company’s two major shareholders to protect the interests of minority Shareholders and to help ensure that the Sandpiper/Meob Project is progressed as soon as possible and without conflict with the Wonarah Project.
- 8.6 Mr Collins-Taylor retires by rotation at the end of the Meeting and, being eligible, has offered himself for re-election as a director of the company. Mr Collins-Taylor’s re-election in this regard is dealt with in Resolution 1 (agenda item 3 – see above). If Resolution 1 is defeated Resolution 6 will be withdrawn as there will be no point in voting on a resolution to remove

Mr Collins-Taylor as a Director when his tenure as a Director will end at the end of the Meeting in any event.

9. VOTING RIGHTS

The Board has determined that all of the shares of the Company will be taken, for the purposes of determining the right of shareholders to attend and vote at the Meeting, to be held by the persons who are registered in the Company's register of shareholders at 7.00 pm (AEDST) on 22 November 2010 as the owners of those shares. Therefore transfers registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Meeting.

10. PROXIES

10.1 A Shareholder entitled to attend and vote at the Meeting may appoint:

- (i) one proxy if the Shareholder is only entitled to one vote at the meeting; or
- (ii) one or two proxies if the Shareholder is entitled to more than one vote at the meeting, to attend and vote at the meeting for the Shareholder.

10.2 A Shareholder may appoint an individual person or a body corporate as the Shareholder's proxy.

10.3 A body corporate appointed as a shareholder's proxy may appoint a representative to exercise any of the powers the body corporate may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been provided to the Company.

10.4 A Shareholder who appoints two proxies may state on the Proxy Form what proportion or number of the Shareholder's votes the proxy may exercise. If a Shareholder appoints two proxies and does not specify the number or proportion of votes each proxy may exercise, each of the proxies may exercise half of the Shareholder's votes.

10.5 A proxy need not be a shareholder of the Company.

10.6 A Proxy Form is enclosed. If you wish to appoint a proxy or proxies you must complete the Proxy Form and deliver it to the Company, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy), **by no later than 2.00 pm (AEDST) on Monday, 22 November 2010:**

- (i) **by post:**
Union Resources Limited
PO Box 728
Spring Hill, Qld, Australia 4004; or
- (ii) **by delivery:**
Union Resources Limited
Level 1
500 Boundary Street
Spring Hill
Brisbane, QLD; or
- (iii) **by facsimile:**
(07) 3833 3888

11. CORPORATE REPRESENTATIVE

A Shareholder which is a body corporate may appoint an individual as the Shareholder's representative to attend and vote at the Meeting. The representative must bring the formal notice of appointment to the meeting, unless it has previously been provided to the Company.

12. OTHER INFORMATION

Queries in relation to the lodgement of proxies or other matters concerning the Annual General Meeting may be directed to the Company Secretary (Telephone: (07) 3833 3872).

13. INTERPRETATION

In this notice of meeting the following expressions have the following meanings:

"ASX" means the Australian Securities Exchange.

"Auditor" means the Company's auditor.

"Board" means the Directors of the Company from time to time, acting as a board.

"Company" means Union Resources Limited ABN 40 002 118 872.

"Directors" means the Directors of the Company.

"Meeting" means the Annual General Meeting of Shareholders convened for 24 November 2010 and any adjournment thereof.

"Section" means a section of this Explanatory Memorandum.

"Share" means an ordinary fully paid share in the capital of the Company, and "Shares" has a corresponding meaning.

"Shareholder" means a shareholder of the Company.

UNION RESOURCES LIMITED
ABN 40 002 118 872

NOTICE OF ANNUAL GENERAL MEETING
(Date of Meeting: 24 November 2010)

ANNEXURE A

OPTION TERMS

1. The exercise price of each Option is AUD\$0.13 (Exercise Price);
2. The Options will expire on 30 April 2011 (Expiry Date) unless earlier exercised;
3. The Options will not be transferable in whole or in part and may not be exercised by any other person (except, in the case of the Option holder's death, by his or her legal personal representative);
4. The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date;
5. The number of Options that may be exercised at one time must be not less than 25,000;
6. Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares;
7. While the Option holders do not have any right to participate in new issues of securities in the Company to shareholders generally on prior exercise of the Options, the Option holders will be afforded the period of at least 10 Business Days' notice prior to and inclusive of the books record date (to determine entitlements to the issue) to exercise the Options;
8. Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend;
9. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (a) The number of Options, the Exercise Price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules and AIM Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
 - (b) Subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged;

10. If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

- O^n = the new exercise price of the Option;
 O = the old exercise price of the Option;
 E = the number of underlying securities into which one Option is exercisable;
 P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;
 S = the subscription price for a security under the pro rata issue;
 D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
 N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
11. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue;
12. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options;
13. The Company does not intend to apply for listing of the Options on the ASX;
and
14. The Company shall apply for listing of the resultant shares of the Company issued upon exercise of any Option.

**UNION RESOURCES LIMITED
ABN 40 002 118 872**

Level 1, 500 Boundary Street,
Spring Hill, Brisbane, Qld, 4000, Australia
(PO Box 728, Spring Hill Q 4004)

Telephone: (07) 3833 3833
Fax: (07) 3833 3888

PROXY FORM

I/We _____

of _____

being a shareholder/(s) of Union Resources Limited ("**the Company**") and entitled to

_____ shares in the Company hereby appoint _____

of _____

or failing him/her _____

of _____

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on the Ground Floor, Sofitel Sydney Wentworth Hotel, 61-101 Phillip Street, Sydney, New South Wales, Australia on Wednesday, 24 November 2010 at 2.00 pm (New South Wales time) and at any adjournment thereof in respect of _____ of my/our shares or, failing any number being specified, **ALL** of my/our shares in the Company.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%.
(The Company on request will supply an additional proxy form.)

If you wish to indicate how your proxy is to vote, please tick the appropriate boxes below.

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/she has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest. However, if the Proxy you appoint is excluded from voting on a resolution and you do not direct the Proxy how to vote on that resolution, your vote will also be excluded.

The chairman of the meeting intends to vote undirected proxies in favour of all proposed resolutions.

If the chairman of the 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 Resolution 3 ("Employee Share Option Plan – Issue Approval") please place a mark in the box to the right.

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 Resolution 3 and that votes cast by the chairman of the meeting for Resolution 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 chairman will not cast your votes on Resolution 3 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 3.

[Continued on reverse side]

I/we direct my/our proxy to vote as indicated below:

RESOLUTION	FOR	AGAINST	ABSTAIN
1. Re-election of Director - Mr J Collins-Taylor (Agenda item 3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Ratification of issue of options (Agenda item 4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Employee Share Option Plan – issue approval (Agenda item 5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Amendment of Constitution (Agenda item 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Adopt Remuneration Report (Agenda item 7)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Removal of Director - Mr J Collins-Taylor (Agenda item 8)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

As witness my/our hand/s this _____ day of _____ 2010

If a natural person:

SIGNED by _____)
_____)

in the presence of:

Witness

Name (Printed)

If a company:

EXECUTED by _____)
_____)
in accordance with its _____)
Constitution _____)

Director

Director/Secretary

Name (Printed)

Name (Printed)

If by power of attorney:

SIGNED for _____ and _____ on behalf of _____)
by _____)
under a Power of Attorney _____)
dated _____ and who declares that _____)
he/she has not received any revocation of such _____)
Power of Attorney in the presence of : _____)

Signature of Attorney

Signature of Witness

[N.B. After completing this Proxy Form please deliver it to the Company’s office in accordance with Section 10.6 of the Explanatory Memorandum in the accompanying Notice of Annual General Meeting]