
ATTICUS RESOURCES LIMITED

ACN 124 782 038

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11.00 am

DATE: 16 December 2011

PLACE: First Floor
168 Stirling Highway
Nedlands, Western Australia

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9423 5925.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00 am on Friday, 16th of December 2011, at:

First Floor, 168 Stirling Highway, Nedlands, Western Australia

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5.00pm (WST) on Wednesday, 14th of December 2011.

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and

- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Key Dates*

Event	Date
Dispatch Notice seeking approval for Transaction	15 November 2011
General Meeting to approve Transaction	16 December 2011
Completion of Transaction	On or before 31 December 2011

*This timetable is indicative only and is subject to change. The directors of Atticus Resources Limited reserve the right to amend the timetable.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – APPROVAL FOR CHANGE IN NATURE AND SCALE OF ACTIVITIES

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

“That, subject to the passing of Resolutions 2 to 5, for the purpose of Listing Rule 11.1 and for all other purposes, approval is given for the Company to make a change in the nature and scale of its activities as described in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed, and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. RESOLUTION 2 – ACQUISITION OF ZAMANCO HOLDINGS LIMITED

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

“That, subject to the passing of Resolutions 1, 3, 4 and 5, pursuant to ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue, up to 51,500,000 Shares, to the Zamanco Shareholders (or their nominees), as consideration for the acquisition of all the ordinary fully paid shares in the issued capital of Zamanco Holdings Limited held by the Zamanco Shareholders, on the terms and conditions in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed, and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. RESOLUTION 3 – ELECTION OF MR THOMAS HILL

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

“That, subject to the passing of Resolutions 1, 2, 4 and 5, Mr Thomas Hill being eligible and having consented to act, be elected as a director of the Company from the Settlement Date.”

4. RESOLUTION 4 – ELECTION OF MR JACQUES BADENHORST

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

“That, subject to the passing of Resolutions 1, 2, 3 and 5, Mr Jacques Badenhorst being eligible and having consented to act, be elected as a director of the Company from the Settlement Date.”

5. RESOLUTION 5 – CHANGE OF NAME

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

“That, subject to the passing of Resolutions 1 to 4, pursuant to Section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to “Zamanco Minerals Limited”.”

6. RESOLUTION 6 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 30 June 2011.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) *a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or*
- (b) *a Closely Related Party of such a member.*

However, a person described above may vote on this Resolution if:

- (c) *the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and*
- (d) *the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.*

7. RESOLUTION 7 – RE-ELECTION OF DIRECTOR – MR PETER IRNSIDE

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

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Peter Ironside, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

8. RESOLUTION 8 – ADOPTION OF EMPLOYEE SHARE OPTION PLAN

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

"That, for the purpose of and in accordance with ASX Listing Rule 7.2 (Exception 9), and for all other purposes, approval is given for the Company to:

- (a) establish and maintain the Zamanco Minerals Limited Employee Share Option Plan ("**Plan**"), as per the terms and conditions detailed in the Explanatory Statement; and*
- (b) issue Options from time to time under the Plan.*

Voting Exclusion: The Company will disregard any votes cast on this resolution by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: *A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:*

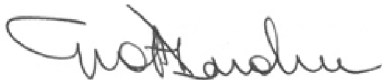
- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or*
 - (ii) a Closely Related Party of such a member; and**
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.*

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and*
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.*

DATED: 14 NOVEMBER 2011

BY ORDER OF THE BOARD



**GEOFF DONOHUE
CHAIRMAN**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company has provided a hard copy of the Company's annual financial report to those Shareholders who specifically requested a copy. The Company's annual financial report is available on its website at www.atticusres.com.au.

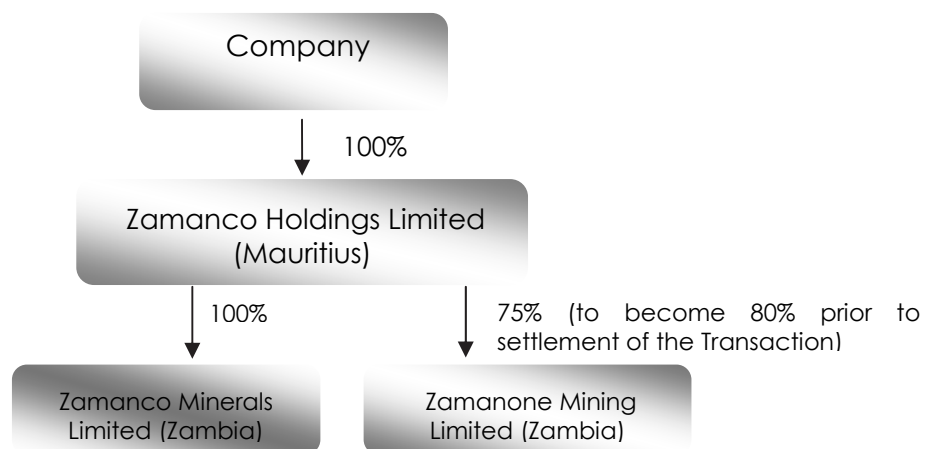
2. BACKGROUND AND PROPOSED TRANSACTION

The Company is currently listed on the ASX as a gold exploration company. At the Annual General Meeting to be held on 16 December 2011, the Company will seek approval for a change to the nature and scale of its activities.

As announced to the market on 4 November 2011, the Company has entered into a Share Sale Agreement with the shareholders of Zamanco Holdings Limited (**Zamanco**) to acquire 100% of the issued capital of Zamanco. Zamanco is a company incorporated in Mauritius with interests in Zambian prospecting licences (**Licences**) through its subsidiary companies, Zamanone Mining Limited (**Zamanone**) and Zamanco Minerals Limited (**Zamanco Zambia**).

The Company has appointed Zambian lawyers to assist the completion of due diligence on the Licences and Zamanco's subsidiary companies. Part of this due diligence will be to ensure the Licences have been validly granted, and to confirm Zamanco's interest in Zamanone and Zamanco Zambia. The results of this due diligence will be received by the Company and reviewed by the Board before the resolutions relating to the Transaction are put to Shareholders at the Annual General Meeting. The results of the due diligence will be announced to the market before the Annual General Meeting.

The diagram below illustrates the structure of the Transaction:



In addition to the Transaction, the Company also intends to continue with its current activities, being interests in two gold exploration projects located in the northern part of the Eastern Goldfields Province of the Yilgarn Craton, Western Australia.

2.1 Background to the Zamanco Projects

The Serenje Manganese Project in Zambia was identified by Zamanco based on the known widespread occurrences of high grade manganese, the available power supply and the ability to transport beneficiated product to port.

With the focus on the downstream beneficiation of manganese ore, Zamanco investigated various countries in Africa that had the right ingredients of high grade ore, power and transport.

Zambia was chosen as there is known widespread occurrences of high grade ore in the Mansa and Kabwe areas, power that is available from Zesco and two port alternatives (Beira and Dar-Es-Salaam). Given the distance to these ports (1500-1660km) and the travel costs to transport ore to port, Zamanco believes that the economics of beneficiated ore are greater than that for direct shipping ore ("DSO") in Zambia.

2.2 Geological Summary

Zambia's diverse mineral endowment is entirely a function of the variety of geological terrains and the multiplicity of thermal and tectonic events that have overprinted and shaped these terrains.

The resulting geological domains have specific metallogenic characteristics in terms of known mineral occurrences that can be successfully utilized to direct further exploration. Equally important, the understanding of the processes that formed these domains has reached a level at which lateral thinking and conceptual modeling can be used to generate important new exploration targets.

The complex geology and multiplicity of techno-thermal events reflects Zambia's somewhat unique position effectively sandwiched between the Kasai, Zimbabwe - Kaapvall and Tanzania cratons. Differential movements between these stable blocks, together with their buttressing effects, have played an important role in the geological evolution of the country and hence in the genesis of the country's mineral and energy resources.

Stratigraphy

The oldest succession of rocks in Zambia, the basement supergroup, consists mostly of granitic gneiss and migmatites which are evident throughout eastern, central and southern Zambia, in places in-folded with meta-carbonate, meta-quartzite and meta-pelite units. The super group rocks are mostly younger than 2050 ma but the Lutembwe River granulite near Chipata has been dated at c.3000 Ma. Granite, granite gneiss, migmatites and amphibolites, believed to belong mostly to the basement supergroup, also outcrop in the structurally elevated Kafue Anticline and Domes of the Copperbelt and north-western Zambia.

The overlying meta-sedimentary Muva Supergroup generally exhibits a tectonized contact with the basement sequences. In central and eastern Zambia the sequence of meta-pelites and meta-quartzites is commonly infolded and even imbricated with the basement rocks, the two sequences being later folded to form the core of the Irumide Belt extending north-eastwards from Kabwe to Mpika, also forming a major component of the Zambezi Belt south and east of Lusaka. Within the Bangweulu Block of northern Zambia the sedimentary sequences is very different, comprising a lower 5000m thick succession of continental sediments (rudites, arenites, quartzites and argillites) - the Mporokoso Group, overlain by quartzites, hematitic sandstones, mudstones and minor conglomerates of the Kasama Formation which ranges in thickness from c.100m over the Bangweulu Block to 3500m southwards into the Irumide Belt.

The Zamanco tenements contain both Mporokoso Group and Kasama Formation rocks.

2.3 Zamanco Business Plan

The business case for smelting manganese from high grade ore close to the mine is attractive when taking into consideration the cost of transport from African mines to smelters elsewhere in the world.

The Serenje Manganese Project comprises three individual components – mining/ore beneficiation, ferromanganese smelters and an aluminothermic manganese metal smelter.



With regards to the mining phase, Zamanco has entered into two joint ventures over known manganese landholdings in the area north of the Serenje area of Zambia. These tenements, LPL12897 and LPL14553, will undergo high priority exploration. Zamanco has also entered into discussions with various small scale miners in the Mansa area regarding the purchase of material.



Photos of outcrops within the Mansa tenement (LPL12897)

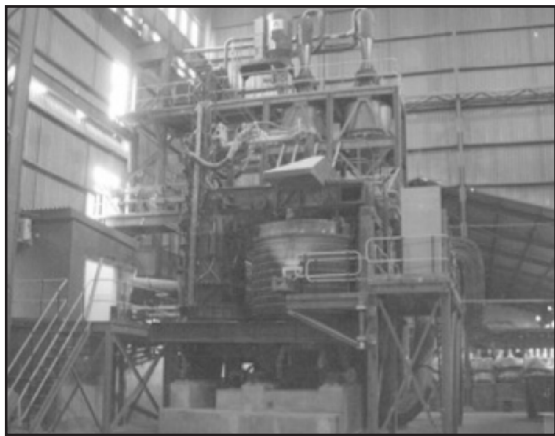
If resources are defined and mining operations established, the Company plans to transport up to approximately 180,000 tonnes per annum of beneficiated product via truck to the Company's proposed smelter location at Pensulo, near Serenje. The Pensulo location has been selected based upon its proximity to Zesco's Pensulo sub-station, tar road access to Beira and the rail system linking to Dar-Es-Salaam. Zamanco has secured 150ha of tribal land near Pensulo for its smelting plant.

Low carbon manganese metal is, amongst its other uses used in the stainless steel production industry, where it is increasingly being used as a substitute for nickel. The aluminothermic reduction method for producing manganese metal involves an exothermic reaction between aluminium and manganese ore to produce 95% manganese metal.

High carbon ferromanganese is essential to steel production, in fact one cannot produce steel without manganese. Steelmaking, has accounted for most manganese demand, presently in the range of 85% to 90% of the total demand. Zamanco is proposing to construct three 8MVA DC smelters, which will have the capacity to produce a combined 60,000 tonnes of 78% high carbon ferromanganese per annum.

Transportation Logistics

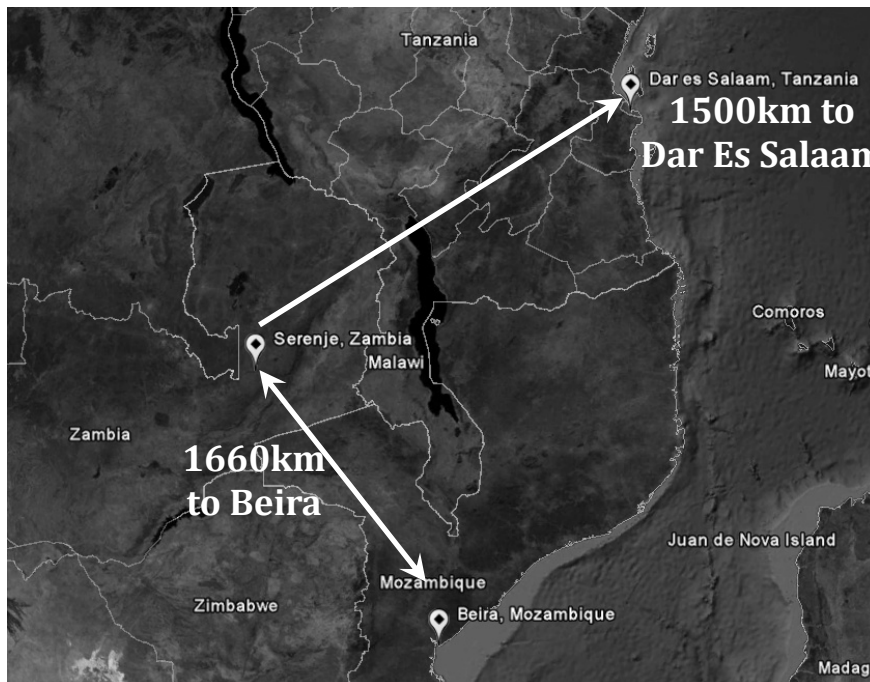
It is proposed that the manganese metal and ferromanganese will be transported either via rail to Dar-Es-Salaam or via road to the port of Beira in Mozambique. Trucks returning from port may be loaded with either aluminium (for the manganese metal process) or coking coal (for the ferromanganese process).



Example of Ferromanganese Smelter



Aluminothermic process - example



Proposed transportation routes to port

Most of the logistical, engineering and mining elements required for the implementation of the project have been identified and will be subjected to a Bankable Feasibility Study commencing in Q2 2012. Most of the identified equipment manufacturers and construction engineering firms have extensive experience in southern Africa.

2.4 Overview of Zambia

Location

Located in the Southern Africa Sub-region, Zambia is a landlocked country covering an area of 752,614 km². It is bordered by Tanzania (in the North), Malawi (in the East), Mozambique (in the South-East), Zimbabwe (in the South) Botswana and Namibia (in the South-West), Angola (in the West) and the Democratic Republic of Congo (in the North-West).

Climate

The climate of Zambia is tropical, characterized by humid subtropical or tropical wet and dry conditions, with small stretches of semi-arid climate in the south-west and along the Zambezi valley. There are two main seasons, the rainy season (November to April) corresponding to summer, and the dry season (May/June to October/November), corresponding to winter.

Average monthly temperatures remain above 20°C for most of the year.

Political Factors

Zambia is a multi-party democratic country with a separation of powers between the legislative (parliament), executive (cabinet) and judiciary (courts of law) organs of Government govern Zambia. Both the president (who must belong to a registered political party) and members of parliament are elected by the people. The president appoints cabinet ministers, from within elected and nominated members of parliament. The parliament, headed by the Speaker of the National Assembly, comprises 150 elected members and up to 8 members nominated by the president. The Supreme Court is the highest court of appeal and is headed by the Chief Justice.

Legal System

The Zambian judicial system is based on English common law and customary law. Common law is administered by High Courts, which have authority to hear criminal and civil cases and appeals from lower courts. Resident magistrate's courts are also established at various centres. Local courts mainly administer customary law, especially cases relating to marriage, property, and inheritance.

Under the constitution of 1997, the Supreme Court is the highest court in Zambia and serves as the final court of appeal. The chief justice and other eight judges are appointed by the president. In consultation with the prime minister, the president also appoints the director of public prosecution and the attorney general, the latter being the principal legal adviser to the government. The independence of the judiciary has been respected by the government. Trials in magistrate courts are public.

Demographics

The central statistics office puts the projected mid-2010 population figure at 13.3m with a population growth at 2.8%. About 46% of the population representing an active and productive workforce, are between 15 and 64 years of age. The population comprises approximately 72 ethnic groups, most of which are Bantu-speaking. Zambia also has a small but economically important Asian population, most of whom are Indians. The predominant and official national religion is Christianity.

2.5 Summary of the Share Sale Agreement

On 4 November 2011, the Company entered into a share sale agreement (**Share Sale Agreement**) with the Vendors, under which it was agreed that the Company would purchase 100% of the issued share capital in Zamanco (**Zamanco Shares**), with the consideration to be paid to the Vendors in the form of Shares and Deferred Consideration Shares (**Transaction**).

The following are the material terms of the Share Sale Agreement:

- (a) the consideration to be paid for the Zamanco Shares will be satisfied through the issue by the Company of:
 - (i) 5,150,000 Shares at a deemed issue price of \$0.20 each on settlement of the Acquisition (**Initial Consideration Shares**);
 - (ii) 5,150,000 Shares, to be issued on achievement of the First Performance Milestone (**Tranche 1 Deferred Consideration Shares**);
 - (iii) 15,450,000 Shares, to be issued on achievement of the Second Performance Milestone (**Tranche 2 Deferred Consideration Shares**); and
 - (iv) 25,750,000 Shares, to be issued on achievement of the Third Performance Milestone (**Tranche 3 Deferred Consideration Shares**),(together, the **Consideration Shares**);
- (b) The Vendors (or their nominees) will be issued the Deferred Consideration Shares if the following Performance Milestones are achieved:
 - (i) in relation to the Tranche 1 Deferred Consideration Shares, if the Company defines a JORC-compliant Indicated Resource of manganese in excess of 1,000,000 metric tonnes and at a grade of greater than 40% Mn, from one of its Zambian projects, within 18 months of the Settlement Date (**Tranche 1 Performance Milestone**);
 - (ii) in relation to the Tranche 2 Deferred Consideration Shares, if the Company completes a bankable feasibility study for the production of ferromanganese from one of its Zambian projects (with a demonstrated capacity to produce at least 60,000,000 metric tonnes per annum for a minimum of ten (10) years), and the board of the Company approves the development of that project, within 4 years of the Settlement Date (**Tranche 2 Performance Milestone**); and
 - (iii) in relation to the Tranche 3 Deferred Consideration Shares, if the Company achieves 12 months of continuous production from its high carbon ferromanganese smelter, within 5 years of the Settlement Date (**Tranche 3 Performance Milestone**);
- (c) the conditions precedent to settlement of the Transaction (**Settlement**) are:
 - (i) the Company has completed a financial, commercial and legal due diligence on the Zamanco Group (including due diligence on the Licences), to the sole and absolute satisfaction of the Company;
 - (ii) if ASX has advised that some or all of the Consideration Shares will be subject to escrow restrictions pursuant to Chapter 9 of the Listing Rules, the Vendors (or, if applicable, their nominees) sign restriction agreements pursuant to which some or all of the Consideration Shares, as determined by ASX, will be subject to an escrow period as determined by ASX;
 - (iii) the Company has obtained all necessary shareholder approvals required by the Corporations Act and the Listing Rules in relation to the Transaction; and

- (iv) the Company (through its holding in Zamanco) legally and beneficially holds an 80% interest (or such other interest as agreed by the Company) in each Zambian Company, and all transfer processes related to these holdings are complete; and
- (v) the Parties have obtained all required regulatory approvals or other consents for the Transaction.

If any of the above conditions precedent are not satisfied (or waived in accordance with the terms of the Share Sale Agreement) before 31 December 2011, the Transaction will not proceed.

- (d) the Company will repay the amount of \$106,000 to Mr Thomas Hill and Mr Jacques Badenhorst (being directors of Zamanco) for expenses funded by Mr Hill and Mr Badenhorst relating to operating costs of Zamanco up until settlement of the Transaction;
- (e) the Company will enter into executive service agreements with Mr Thomas Hill and Mr Jacques Badenhorst in relation to their engagement as executive directors of the Company. These agreements will be subject to settlement of the Transaction and be on terms standard for service agreements of their nature.
- (f) the Share Sale Agreement includes other terms and conditions standard for agreements of its nature; including warranties and representations by the Company and the Zamanco Shareholders (which are guaranteed by Mr Thomas Hill and Jacques Badenhorst (directors of Zamanco)).

2.6 Advantages of the Transaction

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) by approving the change of nature and scale of the Company's activities, the Company can focus on mining exploration and development activities;
- (b) the exploration for manganese in the areas covered by the Licences will present the Company with a solid footing upon which to expand through the acquisition and development of mining operations.
- (c) Manganese is a commodity that is primarily used in steelmaking. With demand from China and India for steelmaking inputs expected to remain strong, the Company believes that there will be good demand for the products that it plans to produce.
- (d) With much of Africa not subjected to modern exploration techniques, the Company believes that there good potential to identify further mineralisation within the Licenses.
- (e) Whilst the Company's current tenement portfolio is prospective, management believe that the Transaction provides greater potential for value creation in the short and medium term.

2.7 Disadvantages of the Transaction

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) the Company will be changing the nature of its activities to become a company focused on mining exploration activities and manganese treatment processes in Zambia, which may not be consistent with the objectives of all Shareholders;

- (b) there are risk factors associated with the change in nature of the Company's activities (these risks are set out in Section 2.8); and
- (c) if an economic mineral resource is identified the Company will need to raise significant further capital to develop a mine and mining operations.

2.8 Risk Factors

Shareholders should be aware that if the Resolutions are approved, the Company will be changing the nature of its activities to a mineral resources company which is subject to various risk factors. Based on the information available, a non-exhaustive list of risk factors are as follows:

(a) Exploration Success

The Licences are at the early stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Licences, or any other licences or tenements that may be acquired in the future will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its Licences and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Licences, a reduction in the cash reserves of the Company and possible relinquishment of the Licences.

(b) Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Having its main industry experience in the Australian mining sector, the Company itself does not have any operating experience in Zambia, although it should be noted that the current Directors have between them significant operational experience and the proposed Directors, Mr Hill and Mr Badenhorst have experience in the mining industry in Africa. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Licences. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(c) **Resource Estimates**

Should the Company be successful in defining a mineral resource on any of the Licences, that resource estimate will be an expression of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(d) **Commodity Price Volatility and Exchange Rate Risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Zambian and Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, the Australian dollar and the Zambian kwacha as determined in international markets.

(e) **Risks associated with operations in Zambia**

The Licences are located in Zambia and the Company will be subject to the risks associated with operating in that country, including various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Zambia may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Outcomes in courts in Zambia may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company or its subsidiaries in Zambia.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company. The Company has made its investment and strategic decisions based on the information currently available to the Directors, however should there be any material change in the political, economic, legal and social environments in Zambia, the Directors may reassess investment decisions and commitments to assets and operations in Zambia.

(f) **Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(g) **Market Conditions**

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(h) **Exploration**

Mining exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there is no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.

(i) **Joint Venture Parties, Agents and Contractors**

The Directors are unable to predict the risk of financial failure or default by a participant in any earn-in agreement or joint venture to which the Company may become a party or the insolvency or managerial failure by any of the contractors to be used in future by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers to be used in future by the Company for any activity.

(j) **Future Capital Needs**

Further funding may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain finance will adversely affect the business and financial condition of the Company and its performance.

(k) **Dilution Risk**

The consideration for the Transaction includes the Consideration Securities. If the Transaction is completed, there will be a dilution for current Shareholders.

2.9 Plans for the Company if the Transaction does not proceed

If the Transaction does not complete, the Company will continue with its current activities and continue to look for an alternate transaction or acquisition to add value to the Company.

2.10 Conditionality of Resolutions and Directors' Recommendation

The Resolutions relating to the Transaction are all inter-conditional, meaning that in order for any Resolution to have effect, all other Resolutions must also be passed by Shareholders.

Where any of the Resolutions are not passed, none of the remaining Resolutions will be able to take effect and the Transaction will not proceed.

The Directors recommend (other than in relation to any Resolution in which they have a personal interest as identified in this Notice), that Shareholders vote in favour of all of the Resolutions.

3. RESOLUTION 1 – APPROVAL FOR CHANGE IN NATURE AND SCALE OF ACTIVITIES

3.1 General

Resolution 1 seeks approval from Shareholders for a change in the nature and scale of the activities of the Company. Upon completion under the Share Sale Agreement, the Company will acquire from the Vendors 100% of the issued capital of Zamanco.

These transactions will result in a change in the nature and scale of the Company's activities to a Zambian manganese explorer and potential producer. As a consequence, the Transaction requires approval pursuant to ASX Listing Rule 11.1.2.

3.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable. ASX Listing Rule 11.1.2 provides that, if ASX requires, the entity must get the approval of Shareholders and must comply with any requirements of ASX in relation to the Notice of Meeting.

ASX has indicated to the Company that, given the significant change in the nature and scale of the activities of the Company upon completion of the Transaction, it requires the Company to obtain the approval of its Shareholders.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.

4. RESOLUTION 2 – ACQUISITION OF ZAMANCO HOLDINGS LIMITED

4.1 General

As outlined in Section 2 of this Explanatory Statement, the Company, Zamanco and the Zamanco Shareholders have entered into the Share Sale Agreement under which the Company has agreed to acquire and the Zamanco Shareholders (**Vendors**) have agreed to sell 100% of the share capital in Zamanco.

The Consideration Shares to be issued to the Vendors (or their nominees) are set out in Section 2.5(a) above.

4.2 Capital Structure

The proposed capital structure of the Company following completion of the Transaction is as follows:

Shares	Current	On Completion of the Transaction*	%
Current Shares on Issue	30,000,000	30,000,000	36.81%
Initial Consideration Shares (issued on settlement of the Transaction)	-	5,150,000	6.32%
TOTAL	30,000,000	35,150,000	43.13%
Tranche 1 Deferred Consideration Shares (issued on achievement of First Performance Milestone)	-	5,150,000	6.32%
Tranche 2 Deferred Consideration Shares (issued on achievement of Second Performance Milestone)	-	15,450,000	18.96%
Tranche 3 Deferred Consideration Shares (issued on achievement of Third Performance Milestone)	-	25,750,000	31.60%
Total Deferred Consideration Shares	-	46,350,000	56.87%
TOTAL	30,000,000	81,500,000	100%
Options			
Exercisable at 20 cents, expiry 30 September 2012	29,400,000	29,400,000	100%
Options to be issued	Nil	Nil	0%
TOTAL	29,400,000	29,400,000	100%

* Assuming issue of all Deferred Consideration Shares

4.3 Pro-forma consolidated statement of financial position

A pro-forma statement of financial position of the Company on completion of the Transaction (and all other Resolutions in this Notice) is set out in Schedule 1 of the Explanatory Statement.

4.4 Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Resolution 2 seeks Shareholder approval under Listing Rule 7.1 and for all other purposes, for the allotment and issue of the Consideration Shares to the Vendors (or their nominees) in consideration for acquiring their respective Zamanco Shares to enable the Company to acquire 100% of the issued capital in Zamanco pursuant to the Share Sale Agreement.

ASX Listing Rule 7.3.2 provides that the notice of meeting must (inter alia) state the date by which the entity will issue the securities and that the securities must be issued no later than 3 months after the date of the meeting or such later date as may be permitted by any ASX waiver or modification of the ASX Listing Rules.

The effect of Resolution 2 will be to allow the Directors to issue the Initial Consideration Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

The Company has applied to ASX for a waiver of Listing Rule 7.3.2 for the issue of the remaining Consideration Shares (being the Tranche 1 Deferred Consideration Shares, Tranche 2 Deferred Consideration Shares and Tranche 3 Deferred Consideration Shares) outside the 3 month period following the Meeting. The issue of each tranche of the Deferred Consideration Shares is dependent on the achievement of the relevant Performance Milestone. These Milestones are all outside the 3 month period following the Meeting. The Company expects ASX to determine the waiver application before the Annual General Meeting.

4.5 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the maximum number of shares to be issued is 51,500,000 Shares in the following tranches:
 - (i) 5,150,000 Shares at a deemed issue price of \$0.20 each (**Initial Consideration Shares**);
 - (ii) 5,150,000 Tranche 1 Deferred Consideration Shares;
 - (iii) 15,450,000 Tranche 2 Deferred Consideration Shares; and
 - (iv) 25,750,000 Tranche 3 Deferred Consideration Shares.
- (b) the Initial Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date, being the Settlement Date;
- (c) subject to the ASX granting the Company a waiver from Listing Rule 7.3.2, the Tranche 1 Deferred Consideration Shares, the Tranche 2 Deferred Consideration Shares and the Tranche 3 Deferred Consideration Shares, if issued, will be issued on achievement of their relevant Performance Milestone. Details of the Performance Milestones are set out in 2.5(b).

If the Performance Milestones are met, the Deferred Consideration Shares will be issued as follows:

- (i) 5,150,000 Tranche 1 Deferred Consideration Shares, within 18 months of the Settlement Date, on achievement of the Tranche 1 Performance Milestone;
- (ii) 15,450,000 Tranche 2 Deferred Consideration Shares, within 4 years of the Settlement Date, on achievement of the Tranche 2 Performance Milestone; and
- (iii) 25,750,000 Tranche 3 Deferred Consideration Shares, within 5 years of the Settlement date, on achievement of the Tranche 3 Performance Milestone;

- (d) the Consideration Shares will be allotted and issued to the Vendors (or their nominees) as follows;

Vendor or Nominee of Vendor	Consideration Shares
Turnstone Trustees (Mauritius) Limited as Trustee of JAB Trust	<ul style="list-style-type: none"> • 1,212,500 Consideration Shares • 1,212,500 Tranche 1 Deferred Consideration Shares • 3,637,500 Tranche 2 Deferred Consideration Shares • 6,062,500 Tranche 3 Deferred Consideration Shares
Turnstone Trustees (Mauritius) Limited as Trustee of MCR Trust	<ul style="list-style-type: none"> • 1,212,500 Consideration Shares • 1,212,500 Tranche 1 Deferred Consideration Shares • 3,637,500 Tranche 2 Deferred Consideration Shares • 6,062,500 Tranche 3 Deferred Consideration Shares
Turnstone Trustees (Mauritius) Limited as Trustee of WHL Trust	<ul style="list-style-type: none"> • 1,212,500 Consideration Shares • 1,212,500 Tranche 1 Deferred Consideration Shares • 3,637,500 Tranche 2 Deferred Consideration Shares • 6,062,500 Tranche 3 Deferred Consideration Shares
Turnstone Trustees (Mauritius) Limited as Trustee of Boardwalk Trust	<ul style="list-style-type: none"> • 1,212,500 Consideration Shares • 1,212,500 Tranche 1 Deferred Consideration Shares • 3,637,500 Tranche 2 Deferred Consideration Shares • 6,062,500 Tranche 3 Deferred Consideration Shares
Pursuit Capital Pty Ltd (as a nominee of the Zamanco Shareholders)	<ul style="list-style-type: none"> • 300,000 Shares • 300,000 Tranche 1 Deferred Consideration Shares • 900,000 Tranche 2 Deferred Consideration Shares • 1,500,000 Tranche 3 Deferred Consideration Shares

- (e) none of the Vendors (or nominees of the Vendors) are currently related parties of the Company;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Deferred Consideration Shares will be issued on the achievement of their relevant Performance Milestone (set out in Section 2.5(b) above); and
- (h) the Consideration Shares will be issued for nil cash consideration as they are being issued in consideration for the acquisition of 100% of the Zamanco Shares as part of the consideration for the Transaction. Accordingly, no funds will be raised from the issue of the Consideration Shares.

4.6 Issue of Deferred Consideration Shares

Resolution 2 seeks Shareholder approval for the Company to be authorised up to 46,350,000 Shares through the issue of the Deferred Consideration Shares.

The issue of the Tranche 1 Deferred Consideration Shares, Tranche 2 Deferred Consideration Shares and Tranche 3 Deferred Consideration Shares will be dependent on the Company achieving the respective Performance Milestone on or before its required date. If a Performance Milestone is not achieved by the Company by the required date, the tranche of Deferred Consideration Shares relating to that Performance Milestone will not be issued.

4.7 Interests and recommendations of Directors

The existing Directors do not have an interest in Resolution 2. The incoming Directors, Mr Hill and Mr Badenhorst, whose election is referred to in Resolutions 3 and 4 of this Notice, do have an interest in this Resolution as part of the Transaction as they are associates of major shareholders of Zamanco. For the reasons outlined in Section 2.6 above, the Directors therefore recommend that Shareholders vote in favour of Resolution 2.

5. RESOLUTION 3 – ELECTION OF MR THOMAS HILL

Generally, the Constitution requires that new directors are appointed by a resolution of Shareholders passed at a general meeting. Accordingly, pursuant to 13.3 of the Constitution Resolution 3 seeks the election of Mr Thomas Hill.

Set out below is a summary of the qualifications and experience of Mr Thomas Hill:

Thomas Hill (49 years old) has spent the past 10 years, since 2000 as a director of companies listed on the Johannesburg Stock Exchange (JSE). His involvement was with the initial listing of these companies, funding and management. He holds an Engineering (electronics) degree from the University of Pretoria and a Masters degree in Business Leadership from the University of South Africa, (their MBA program). Thomas has built his experience around the listing, funding and running of listed companies and has over the past 18 months focused extensively on the minerals and mining industry in Southern Africa.

6. RESOLUTION 4 – ELECTION OF MR JACQUES BADENHORST

Generally, the Constitution requires that new directors are appointed by a resolution of Shareholders passed at a general meeting. Accordingly, pursuant to 13.3 of the Constitution Resolution 4 seeks the election of Mr Jacques Badenhorst.

Set out below is a summary of the qualifications and experience of Mr Jacques Badenhorst:

Jacques Badenhorst (38 years old) is an Extractive Metallurgical Engineer, who studied at the University of Johannesburg and has 15 years hands on experience. Jacques was responsible for the design and operational management of various operations, including, platinum, copper, vanadium, diamond, gold and ferrochrome recovery plants in Southern Africa. Jacques held senior management positions with companies including Grinaker LTA and Anglo Gold. He is a member of SAIMM (South African Institute for Mining and Metallurgy), the MMMA (Mine Metallurgical Managers Association) and the Institute of Directors (IOD) of South Africa.

7. RESOLUTION 5 – CHANGE OF NAME

The new name proposed to be adopted under Resolution 5 is “*Zamanco Minerals Limited*”. The Directors believe that this new name more accurately reflects the proposed future operations of the Company.

The Company has reserved the ASX Code ‘ZAM’, and will change to this code on completion of the Transaction.

8. RESOLUTION 6 – ADOPTION OF REMUNERATION REPORT

8.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 6 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's 2012 annual general meeting. All of the Directors who were in office when the Company's 2012 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2011.

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

8.2 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or any Closely Related Party of that member as your proxy to vote on this Resolution 6, *you must direct the proxy how they are to vote*. Where you do not direct the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on this Resolution 6, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 6.

9. RESOLUTION 7 – RE-ELECTION OF DIRECTOR – MR PETER IRNSIDE

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has 3 Directors and accordingly 1 must retire.

Mr Peter Ironside, the Director longest in office since his last election, retires by rotation and seeks re-election.

10. RESOLUTION 8 – ADOPTION OF COMPANY’S EMPLOYEE SHARE OPTION PLAN

10.1 Background

As part of its review of appropriate remuneration for management and key personnel, the Board considers that it is appropriate to adopt a new employee share option plan (**Plan**). The objective of the Plan is to provide the Company with a remuneration mechanism to motivate and reward the performance of management and key personnel and align their interests with the interests of Shareholders.

10.2 Requirement for Shareholder Approval

Resolution 8 seeks Shareholder approval under exception 9(b) of ASX Listing Rule 7.2 to allow the issue of Options under the Plan (**Plan Options**) as an exception to ASX Listing Rule 7.1.

A summary of ASX Listing Rule 7.1 is set out in Section 4.4 above.

Exception 9(b) of ASX Listing Rule 7.2 provides that a company may make an issue of securities under an employee incentive plan (such as the Plan) if, within three years before the date of issue, holders of ordinary securities in the company have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 8 is passed, the Company will have the ability to issue Plan Options to eligible participants under the Plan over a period of three years without impacting on the Company’s 15% placement capacity under ASX Listing Rule 7.1.

10.3 Information required by the ASX Listing Rules

The following information is provided to satisfy the requirements of the ASX Listing Rules:

- (a) no Shares or Options have been issued under the Company’s existing Employee Share Option Plan since the date of its approval in 2009; and
- (b) the main terms of the Plan are summarised below and a full copy of the Plan is available for inspection at the Company’s registered office until the date of the Annual General Meeting.

10.4 Summary of terms of the Plan

(a) Eligibility

The Board may invite full or part time employees and directors of the Company or an Associated Body Corporate of the Company to participate in the Plan. Participants may also include:

- (i) casual employees where:
 - (A) the casual employee has worked for the company for more than 12 months; and
 - (B) the employer regards the employee as equivalent to part time employees; and
- (ii) an individual contractor that has:
 - (A) performed work for the Company, or a related body corporate of the Company, for more than 12 months; and
 - (B) received 80% or more of their income in the preceding year from the Company or a related body corporate of the Company; or

- (iii) a company contractor where each of the following are satisfied in relation to the company:
- (A) throughout the previous 12 months, the company has had a contract in place with the Company, or a related body corporate of the Company, for the provision of the services of an individual (**Contracting Individual**) to the Company;
 - (B) the Contracting Individual has performed work for the Company, or a related body corporate of the Company, for more than 12 months;
 - (C) the Contracting Individual has been the only member of the company for more than 12 months; and
 - (D) more than 80% of the aggregate income of the company and the Contracting Individual from all sources (other than from each other) in the preceding 12 months was received from the Company or a related body corporate of the Company,
- (together, the **Eligible Employee**).

Eligible Employees do not possess any right to participate in the Plan, as participation is solely determined by the Board.

Please note that the Company is currently seeking relief under Section 741(1) of the Corporations Act to modify the Corporations Act as it applies to the Company so that the Company can make offers to casual employees and contractors under the Plan.

(b) **Offer of Plan Options**

The Plan will be administered by the Board which may, in its absolute discretion, offer Plan Options to any Eligible Employee from time to time as determined by the Board and, in exercising that discretion, may have regard to some or all of the following considerations:

- (i) the Eligible Employee's length of service with the Company;
- (ii) the contribution made by the Eligible Employee to the Company;
- (iii) the potential contribution of the Eligible Employee to the Company; or
- (iv) any other matter the Board considers relevant.

(c) **Number of Plan Options**

The number of Plan Options to be offered to an Eligible Employee will be determined by the Board in its discretion and in accordance with the rules of the Plan and applicable law.

(d) **Conversion**

Each Plan Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.

(e) **Consideration**

Plan Options issued under the Plan will be issued for nil consideration.

(f) **Exercise price**

The exercise price for Plan Options offered under the Plan will be determined by the Board.

(g) **Exercise conditions**

The Board may impose conditions, including performance-related conditions, on the right of a participant to exercise Plan Options granted under the Plan.

(h) **Exercise of Plan Options**

A participant in the Plan will be entitled to exercise their Plan Options in respect of which the exercise conditions have been met provided the Plan Options have not lapsed and the exercise of the Plan Options will not result in the Company contravening ASIC Class Order 03/184. A holder may exercise Plan Options by delivering an exercise notice to the Company Secretary along with the Plan Options certificate, and paying the applicable exercise price of the Plan Options multiplied by the number of Plan Options proposed to be exercised.

Within ten (10) Business Days of receipt of the required items, the Company will, subject to the ASX Listing Rules, issue to the participant the relevant number of Shares.

(i) **Cessation of employment**

If the participant in the Plan ceases to be an employee or director of, or render services to, the Company or an Associated Body Corporate for any reason (other than by death, permanent disability or permanent retirement from the workforce) prior to the lapse of the Plan Options, and the exercise conditions attaching to the Plan Options have been met, the participant will be entitled to exercise their Plan Options in accordance with the Plan for a period of up to 60 days after the date of the cessation event.

(j) **Death, permanent disability or retirement**

If the participant in the Plan dies, becomes permanently disabled or permanently retires from the workforce as an employee or director of the Company prior to the lapse of the Plan Options, the participant, or the participant's legal personal representative, will be entitled to exercise their Plan Options in accordance with the Plan rules for the period commencing on the date of the cessation event and ending on the first to occur of the date of lapsing of the Plan Options and the date which is six months after the date of the cessation event.

(k) **Lapse of Plan Options**

Plan Options held by a participant in the Plan will lapse immediately if:

- (i) the Plan Options have not been exercised by the date which is two years after the date of issue, or such other date as the Board determines in its discretion at the time of issue of the Plan Options;
- (ii) the exercise conditions attaching to the Plan Options are unable to be met;
or
- (iii) the holder ceases to be an employee or director of, or render services to the Company or an Associated Body Corporate and the deadline set out in paragraph 10.4(i) or (j) has passed.

(l) **Participation in Rights Issues and Bonus Issues**

The Plan Options granted under the Plan do not give the holder any right to participate in rights issues or bonus issues unless Shares are allotted pursuant to the exercise of the relevant Plan Options prior to the record date for determining entitlements to such issue. The number of Shares issued on the exercise of Plan Options will be adjusted for bonus issues made prior to the exercise of the Plan Options in accordance with the Listing Rules.

(m) **Reorganisation**

The terms upon which the Plan Options will be granted will not prevent the Plan Options being reorganised as required by the ASX Listing Rules on the reorganisation of the capital of the Company.

(n) **Limitation on offers**

If the Company makes an offer under the Plan where:

- (i) the total number of Shares to be received on exercise of Plan Options the subject of that offer exceeds the limit set out in ASIC Class Order 03/184; or
- (ii) the Offer does not otherwise comply with the terms and conditions set out in ASIC Class Order 03/184,

the Company must comply with Chapter 6D of the Corporations Act at the time of that offer.

(o) **Trigger event**

If any of the following events occur:

- (i) the Company is subject to a takeover bid;
- (ii) the Company proposes a scheme of arrangement with its members under Part 5.1 of the Corporations Act; or
- (iii) a person, or group of associated persons, becomes entitled to sufficient Shares to give him or them the ability, in general meeting, to replace all or a majority of the Board, where such ability was not already held by a person associated with such a person or group of persons,

then the Board may:

- (i) determine that Plan Options may be exercised at any time from the date of such event so as to permit the holder to participate in the change of control arising from the event; or
- (ii) use its reasonable endeavours to procure that an offer is made to the holder of Plan Options on like terms to the terms proposed in such event.

11. ENQUIRIES

Shareholders are requested to contact Mr Peter Ironside on (+ 61 8) 9423 5925 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company means Atticus Resources Limited (ACN 124 782 038).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Deferred Consideration Shares means the Tranche 1 Deferred Consideration Shares, Tranche 2 Deferred Consideration Shares and Tranche 3 Consideration Shares (or any one of them as the context requires).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Mn means manganese.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Milestone means either the Tranche 1 Performance Milestone, the Tranche 2 Performance Milestone or the Tranche 3 Performance Milestone (or all of them if the context requires).

Proxy Form means the proxy form accompanying the Notice.

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

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2011.

Settlement Date means the settlement date pursuant to the Share Sale Agreement.

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

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

Zamanco Group means Zamanco and the Zambian Companies.

Zambian Companies means Zamanco Zambia and Zamanone.

Zamanco Shareholders (or Vendors) means Turnstone Trustees (Mauritius) Limited as Trustee of JAB Trust, Turnstone Trustees (Mauritius) Limited as Trustee of MCR Trust, Turnstone Trustees (Mauritius) Limited as Trustee of WHL Trust, and Turnstone Trustees (Mauritius) Limited as Trustee of Boardwalk Trust.

SCHEDULE 1 – PRO FORMA BALANCE SHEET

	Unaudited Mgmt a/cs 31/10/2011 \$	Unaudited Proforma 31/10/2011 \$ <i>Consideration Shares (Note 1)</i>	Unaudited Proforma 31/10/2011 \$ <i>Deferred Consideration Shares (Note 2)</i>
CURRENT ASSETS			
Cash assets	2,646,771	2,540,871	2,540,871
Receivables	8,194	8,194	8,194
Other	653	653	653
TOTAL CURRENT ASSETS	2,655,618	2,549,718	2,549,718
NON-CURRENT ASSETS			
Deferred exploration and evaluation costs	348,205	348,205	348,205
Intangible	-	969,900	9,699,900
TOTAL NON-CURRENT ASSETS	348,205	1,318,105	10,048,105
TOTAL ASSETS	3,003,823	3,867,823	12,597,823
CURRENT LIABILITIES			
Trade and other payables	28,665	28,665	28,665
TOTAL CURRENT LIABILITIES	28,665	28,665	28,665
TOTAL LIABILITIES	28,665	28,665	28,665
NET ASSETS	2,975,158	3,839,158	12,569,158
EQUITY			
Issued Capital	3,614,000	4,644,000	13,914,000
IPO Costs	(330,276)	(330,276)	(330,276)
Current year Profits (Losses)	(39,811)	(205,811)	(745,811)
Prior year Profits (Losses) B/F	(268,755)	(268,755)	(268,755)
Accumulated losses	(308,566)	(474,566)	(1,014,566)
TOTAL EQUITY	2,975,158	3,839,158	12,569,158

Notes:

- The unaudited proforma balance sheet at 31 October 2011 is prepared taking into the following:
 - the direct costs of the Transaction;
 - the reimbursement of costs of \$106,000 to Zamanco; and
 - the issue of the Consideration Shares but not the Deferred Consideration Shares (see note 2 below).
- The Share Sale Agreement includes as consideration the issue of 46,350,000 Deferred Consideration Shares to the Vendors. These Deferred Consideration Shares will be valued base on the share price at the date of issue. By way of an example above, the assumption has been made that the performance criteria relating to the Deferred Consideration Shares have been met. Therefore the full consideration has been included in the calculation of the proforma financial information and results in an increase in the issued capital of Atticus and a corresponding increase in the intangible assets at acquisition of \$9,270,000 based on a share issue price of 20 cents per Deferred Consideration Share.

Atticus Resources Limited

ABN 34 124 782 038

Lodge your vote:



By Mail:

Atticus Resources Limited
Ground Floor, 168 Stirling Highway
Nedlands, WA
Australia 6009

Alternatively you can fax your form to
+61 8 9389 1750

For all enquiries call:

(within Australia) 1300 544 635
(outside Australia) +61 3 9938 4319

000001 000 ACZ
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 11:00am (WST) Wednesday 14 December 2011

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the Annual Report:

<http://atticusres.com.au>

Update your securityholding, 24 hours a day, 7 days a week:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Atticus Resources Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to 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 Annual General Meeting of Atticus Resources Limited to be held at First Floor, 168 Stirling Highway, Nedlands, Western Australia on Friday, 16 December 2011 at 11:00am (WST) and at any adjournment of that meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business other than in respect of Item 6. If the Chairman of the Meeting or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or a Closely Related Party of that member is your proxy, in order for your votes to be counted on Item 6 you must direct your proxy how to vote on Item 6. If you do not direct your proxy how to vote on Item 6, the proxy will be prevented from casting any votes on Item 6 on your behalf.

Important for Item 8: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Item 8 below, please mark the box in this section. 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 Item 8 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 8 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if the Chairman has an interest in the outcome of this Item and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS	For	Against	Abstain
Item 1 Approval for change in nature and scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Acquisition of Zamanco Holdings Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Election of Mr Thomas Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Election of Mr Jacques Badenhorst	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Change of Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7 Re-election of Director - Mr Peter Ironside	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8 Adoption of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 95%; height: 100%;" type="text"/>	<input style="width: 95%; height: 100%;" type="text"/>	<input style="width: 95%; height: 100%;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____