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# **CGA MINING LIMITED**

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## **NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of CGA Mining Limited will be held at the ground floor of The BGC Centre, 28 The Esplanade, Perth, Western Australia on 22 November 2011 at 10.30am (WST).**

CGA Mining Limited is incorporated in Australia and listed on both the Australian Securities Exchange ("**ASX**") and the Toronto Stock Exchange ("**TSX**").

This Notice of Meeting is designed to comply with the requirements of the Australian Corporations Act, the Listing Rules of the ASX and the TSX and the requirements of the Ontario Securities Commission.

<p>This Notice of Annual General Meeting should be read in its entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.</p>
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# CGA MINING LIMITED

ACN 009 153 128

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders (the “**Shareholders**”) of CGA Mining Limited (the “**Company**”) will be held at the ground floor of The BGC Centre, 28 The Esplanade Perth, Western Australia on 22 November 2011 at 10.30am (WST) (“**AGM**” or the “**Meeting**”).

The Explanatory Memorandum and Management Information Circular attached to this Notice provides additional information on matters to be considered at the Meeting. Shareholders should read the Explanatory Memorandum and Management Information Circular carefully before deciding how to vote on the matters of the Meeting. The Management Information Circular, Explanatory Memorandum and the Proxy Form, form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 4.00pm (WST) on 18 November 2011.

## AGENDA

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### 1. Reports and Accounts

To receive and consider the financial statements of the Company for the year ended 30 June 2011 together with the Directors' Report and the Auditors' Report in accordance with s317 of the Corporations Act 2001.

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### 2. Resolution 1 – Re-election of Mark Savage as a Director

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

*“That, Mark Stuart Savage, being a Director of the Company retiring in accordance with Article 17.1 and Article 17.2 (a) of the Constitution and, being eligible, is re-elected as a Director of the Company.”*

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### 3. Resolution 2 –Employee Stock Option Plan

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9), the TSX Company Manual Section 613 and for all other purposes, the Company’s Employee Stock Option Plan (the “Option Plan”) be approved or re-approved on the terms and conditions set out in the Explanatory Memorandum.”*

Notes:

- (1) the TSX Company Manual requires that the shareholders of the Company re-approve the Option Plan every three years in accordance with the rules of the TSX;
- (2) all unallocated options issuable pursuant to the Option Plan, be and are hereby approved and authorized in accordance with the rules of the Toronto Stock Exchange and the Company is authorised to continue granting options under the Option Plan until November 22, 2014; and
- (3) any one director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts or things, as in the opinion of such director or officer may be necessary or desirable in order to give effect to this resolution.

#### **Voting exclusion**

The Company will disregard votes cast on Resolution 2 by any Director (except one who is ineligible to participate in any employee incentive scheme of the Company) or any of their associates.

However the Company need not disregard a vote if:

- (a) it is cast by that person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the chairperson of 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.

Further, a member of Key Management Personnel (as defined below) and their closely related parties may not vote as a proxy on this resolution if the appointment does not specify how the proxy is to vote.

The Chairman of the meeting intends to vote all undirected proxies in favour of Resolution 2.

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## **4. Resolution 3 – Remuneration Report**

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

*"That the Remuneration Report for the year ended 30 June 2011 be adopted."*

Note: The vote on the Remuneration Report is advisory only and does not bind the Directors or the Company.

#### **Voting exclusion:**

The Company will disregard any vote cast on Resolution 3 by, or on behalf of:

- (a) a member of the key management personnel as disclosed in the Remuneration Report (**Key Management Personnel**); and
- (b) a closely related party (such as close family members and any controlled companies) of those persons,

unless the vote is cast by a person as a proxy for a person entitled to vote in accordance with a direction on the Proxy Form.

The Chairman of the meeting intends to vote all undirected proxies in favour of Resolution 3.

By Order of the Board

A handwritten signature in cursive script, appearing to read "Hannah Hudson", written over a horizontal line.

Hannah Hudson  
Company Secretary  
19 October 2011

## **Information for Australian Shareholders**

### **Proxies**

All Shareholders who are entitled to attend and vote at the meeting have the right to appoint a proxy to attend and vote for them. The proxy does not have to be a Shareholder. Shareholders holding two or more shares can appoint either one or two proxies. If two proxies are appointed, the appointing Shareholder can specify what proportion of their votes they want each proxy to exercise.

To vote by proxy, please complete and return the proxy form enclosed with this Notice of Meeting as soon as possible. To be effective, a completed proxy form instructions must be received by no later than 10.30am (WST) on Sunday 20 November 2011, being not less than 48 hours prior to the commencement of the meeting.

Proxy forms should be sent to Level 5, 28 The Esplanade, Perth WA 6000, or by facsimile on 08 9263 4020

Where the proxy form is executed under power of attorney, the power of attorney must be lodged in the same way as the proxy form.

### **Corporate representatives**

A body corporate may appoint an individual as its representative to attend and vote at the meeting and exercise any other powers the body corporate can exercise at the meeting. The appointment may be a standing one. 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 given to the Company. An appointment form is included with the meeting materials.

# EXPLANATORY MEMORANDUM

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## Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the AGM to be held at the ground floor of The BGC Centre, 28 The Esplanade, Perth, Western Australia on 22 November 2011 at 10.30am (WST).

The purpose of this Explanatory Memorandum is to provide information which the Board of Directors believes is material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Annual General Meeting.

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## Background to the Resolutions

### 1. Resolution 1 – Re-election of Mark Savage as a Director

Article 17.1 of the Constitution of the Company provides that at each general meeting, if and for as long as there are:

- (i) 3 or more Relevant Directors, one third of Relevant Directors, or if that is not a whole number then the next lowest whole number of Relevant Directors; or
- (ii) fewer than 3 Relevant Directors, one Relevant Director,

will retire from office and be eligible for re-election.

A Relevant Director in relation to this AGM means all Directors.

The Company currently has five Relevant Directors. As such, one Relevant Director must retire from office at this AGM, but will remain eligible for re-election.

Article 17.2 of the Constitution of the Company provides that:

- (i) notwithstanding Article 17.1, each Relevant Director will retire from office no later than at the third annual general meeting following his or her last election or appointment by a general meeting, but may submit himself or herself for and will be eligible for re-election; and
- (ii) any Relevant Director who at any annual general meeting retires under this Article 17.1 will be eligible to count towards the number to retire under Article 17.2 at the same meeting.

Mr Savage was re-elected as a Director at the 2008 annual general meeting of the Company and as such must retire at this AGM in accordance with Article 17.2 (a) of the Constitution. Mr Savage's retirement under Article 17.2 (a) of the Constitution is also eligible to count towards the number of Relevant Directors required to retire from office at this AGM under both Article 17.1 and Article 17.2 of the Constitution of the Company. He is eligible and has offered himself for re-election.

Mr Savage was born and educated in the United States of America ("US") where he received a business degree from the University of Colorado and was a senior executive for a number of US banks. He then joined an Australian based merchant bank and completed the Securities Institute of Australia course.

Mr Savage has gained experience in the debt and equity markets as well as in the corporate advisory area. He currently holds directorship positions with Global Petroleum Limited (since 1999), Tower Resources Limited (since January 2006) and Ratel Group Limited ("Ratel") (since October 2010). Mr Savage was appointed a director of the Company on 17 April 2000.

The Board of the Company unanimously recommends that shareholders vote in favour of Resolution 1.

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## 2. Resolution 2 – Employee Stock Option Plan

### Explanatory Notes for the Purpose of the ASX Listing Rules

Resolution 2 seeks the approval of Shareholders for the Company's existing Employee Stock Option Plan (**Option Plan**). The Option Plan was last approved by Shareholders for the purposes of ASX Listing Rule 7.2 (Exception 9) on 14 June 2004. Under the ASX Listing Rules, a refreshed approval is required every 3 years. As three years have passed since the last approval, this resolution is effectively seeking new approval for the Option Plan.

ASX Listing Rule 7.1 provides that a listed company may not issue equity securities equal to more than 15% of that company's issued share capital in any 12 months without obtaining shareholders' approval. An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

The two main purposes of the Option Plan are to give an incentive to the eligible participants to provide dedicated and ongoing commitment and effort to the Company and for the Company to reward eligible participants for their efforts. The Option Plan contemplates the issue of options to subscribe for shares in the Company to eligible participants.

In order to take advantage of the exemption from ASX Listing Rule 7.1 contained in ASX Listing Rule 7.2 (Exception 9) and allow the Company greater flexibility to issue securities, Shareholders are requested to approve the Option Plan as an exemption to ASX Listing Rule 7.1. This approval will be effective for a period of 3 years from the date of passing by Shareholders of Resolution 2.

#### **Options issued under the Option Plan since last Shareholder approval**

The Company presently has 3,371,250 employee options on issue. Since the Option Plan was last approved for the purposes of ASX Listing Rule 7.2 (Exception 9) on 14 June 2004:

- (a) 11,365,000 options have been issued under the terms of the Option Plan; and
- (b) 7,743,750 options have been exercised.

## **Option Plan Summary**

For the purposes of ASX Listing Rule 7.2 (Exception 9) a summary of the terms and conditions of the Option Plan is attached as an Annexure A to the accompanying Management Information Circular.

## **Explanatory Notes for the Purpose of the TSX Company Manual**

Resolution 2 addresses the re-approval by the Company's shareholders of the Company's existing Employee Stock Option Plan. Section 613 of the TSX Company Manual provides that a stock option plan of an issuer must be approved by its shareholders every three years after its institution if such plan does not have a fixed maximum number of securities issuable thereunder. The Company's existing Employee Stock Option Plan (the "Option Plan") does not establish a fixed maximum number of securities issuable thereunder. Rather, it provides that at any time the Options offered under the Option Plan may not exceed 5% of the aggregate of: (i) the number of Options to be issued; (ii) the number of Shares which would be issued if all current Options issued under any employment incentive scheme were exercised; (iii) the number of Shares which have been issued as a result of the exercise of Options issued under any employee incentive scheme, where the options were issued during the preceding five years; and (iv) all other Shares issued pursuant to any employment employee incentive scheme during the preceding five years. The Directors may, in their absolute discretion offer Options under the plan, notwithstanding that the 5% limit has been exceeded, up to a maximum of 10%.

The Company's shareholders will be asked to consider, and if thought advisable, to pass an ordinary resolution in the form below, re-approving and amending the existing Option Plan for an additional three years from the date of the Meeting (the "Re-approval and Amendment of Employee Stock Option Plan Resolution").

In the event that the Re-approval and Amendment of Employee Stock Option Plan Resolution is not passed by the requisite number of votes cast at the Meeting, the Company will not have an operative stock option plan. All unallocated options will be cancelled and the Company will not be permitted to grant further options under the Option Plan until such time as the Re-approval and Amendment of Employee Stock Option Plan Resolution is approved. Previously allocated options under the Option Plan will continue unaffected by the approval or disapproval of the Re-approval and Amendment of Employee Stock Option Plan Resolution. Any Options that have been terminated, cancelled or that have expired will not be available for regranteeing.

A copy of the Employee Stock Option Plan, is attached as Annexure B to the accompanying Management Information Circular.

The Re-approval and Amendment of Employee Stock Option Plan Resolution must be passed by a majority of the votes cast by the Company's shareholders who vote at the Meeting either in person or by proxy. Unless otherwise directed the persons named as nominees of Management in the accompanying form of proxy intend to vote for approval of the Re-approval and Amendment of Employee Stock Option Plan Resolution.

**BE IT RESOLVED THAT:**

1. the Company's Employee Stock Option Plan is hereby re-approved in accordance with the rules of the Toronto Stock Exchange and ASX Listing Rule (Exception 9);



2. all unallocated Options issuable pursuant to the Company's Employee Stock Option Plan be and are hereby approved and authorized in accordance with the rules of the Toronto Stock Exchange and the Company is authorised to continue granting the Options under the Option Plan until November 22, 2014; and
3. any one director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to give effect to this resolution.

The Board of the Company unanimously recommends that shareholders vote in favour of Resolution 2.

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### 3. **Resolution 3 – Adoption of the Directors Remuneration Report**

Section 298 of the Corporations Act requires the annual Director's Report to contain a remuneration report prepared in accordance with section 300A of the Corporations Act. A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with the Corporations Act.

The remuneration report of the Company for the financial year ended 30 June 2011 is set out in the Director's Report contained in the 2011 Annual Report to Shareholders ("**Remuneration Report**").

The Remuneration Report sets out the Company's remuneration arrangements for the Executive and Non-Executive Directors and key management personnel. A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting. The vote on this Resolution is only advisory and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 3 by marking either "For", "Against" or "Abstain" on the Proxy Form. The Chairman of the meeting intends to vote all undirected proxies in favour of Resolution 3.

The Board of the Company unanimously recommends that shareholders vote in favour of Resolution 3.

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## **Definitions**

In this Explanatory Memorandum, the Management Information Circular and Notice of Annual General Meeting:

**"Annual General Meeting" and "Meeting"** means the Annual General Meeting of Shareholders convened by this Notice of Meeting.

**"ASIC"** means the Australian Securities and Investments Commission.

**"ASX"** means the Australian Securities Exchange or ASX Limited, as appropriate.

"**ASX Listing Rules**" means the listing rules of the ASX.

"**Board**" means the board of Directors of the Company.

"**CGA**" or "**Company**" means CGA Mining Limited.

"**Constitution**" means the Constitution of the Company.

"**Corporations Act**" means the *Corporations Act 2001* (Cth).

"**Circular**" or "**Management Information Circular**" means the Management Information Circular contained herein.

"**Directors**" mean the directors of the Company.

"**Explanatory Memorandum**" means the Explanatory Memorandum contained herein.

"**Notice**" or "**Notice of Annual General Meeting**" means the notice of Annual General Meeting accompanying the Explanatory Memorandum and the Management Information Circular.

"**Options**" means the right to acquire shares granted to employees under the Employee Option Plan.

"**Proxy Form**" means the proxy form attached to the Notice of Annual General Meeting.

"**Relevant Directors**" means all Directors.

"**Resolution**" means a resolution referred to in the Notice of Annual General Meeting.

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

"**Shareholder**" means a shareholder of the Company.

"**TSX**" means Toronto Stock Exchange.

## CGA MINING LIMITED

### MANAGEMENT INFORMATION CIRCULAR

As at 10 October 2011  
Unless otherwise stated

#### SOLICITATION OF PROXIES

This Management Information Circular is furnished in connection with a solicitation of proxies being made by the management of the Company for use at the Annual General Meeting of the Shareholders to be held at the date, place and time and for the purposes set forth in the Notice of Annual General Meeting accompanying this Management Information Circular and at any adjournment thereof.

#### APPOINTMENT AND REVOCATION OF PROXY

The persons named as proxyholders in the accompanying Proxy Form are directors and/or officers of the Company. **A Shareholder has the right to appoint as proxyholder a person (who is not required to be a Shareholder) other than the persons whose names are printed as proxyholders in the accompanying Proxy Form, by striking out said printed names and inserting the name of his or her chosen proxyholder in the blank space provided for that purpose in the Proxy Form.** If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the shareholder at the Meeting, the representative of the body corporate to attend the Meeting must produce the appropriate Certificate of Appointment of Representation prior to admission. A form of the certificate may be obtained from the Company's transfer agent.

To be valid, proxies of Shareholders outside of Australia must be received at the office of Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, no later than 48 hours prior to the time of commencement of the Meeting (WST). The proxies of the Company's Australian Shareholders must be received at the office of CGA Mining Limited (Level 5, 28 The Esplanade, Perth WA 6000, or via facsimile on 08 9263 4020), no later than 48 hours prior to the time of commencement of the Meeting (WST).

Any Shareholder giving a proxy to attend and vote at the Meeting has the right to revoke the proxy:

- (a) by depositing an instrument in writing executed by such Shareholder or by his or her attorney authorized in writing at the office of the Company at Level 5, BGC Centre, 28 The Esplanade, Perth, Western Australia, 6000, at any time up to and including 48 hours before the day of the Meeting, or an adjournment thereof, at which the proxy is to be used; or
- (b) in any other manner permitted by law.

## **VOTING BY NON-REGISTERED SHAREHOLDERS**

Non-registered Shareholders may vote Shares that are held by their nominees in two manners. Applicable securities laws and regulations, including Canadian National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer*, require nominees of non-registered Shareholders to seek their voting instructions in advance of the Meeting. Non-registered Shareholders will receive (or will have received) from their nominees either a request for voting instructions or a proxy form for the number of shares held by them. The nominees' voting instructions or proxy forms will contain instructions relating to signature and return of the document and these instructions should be carefully read and followed by non-registered Shareholders to ensure that their Shares are accordingly voted at the Meeting.

Non-registered Shareholders who would like their Shares to be voted for them must therefore follow the voting instructions provided by their nominees.

Non-registered Shareholders who wish to vote their Shares in person at the Meeting must insert their own name in the space provided on the request for voting instructions or proxy form, as the case may be, in order to appoint themselves as proxyholders and carefully follow the signature and return instructions provided by their nominees.

## **METHOD OF SOLICITATION**

The solicitation of proxies by management of the Company will be made primarily by mail, but may also be carried out by officers and employees of the Company by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The solicitation of proxies for the Meeting are being made by or on behalf of management of the Corporation, and the cost of soliciting proxies in connection with the meetings will be borne directly by the Company.

## **VOTE REQUIRED**

Resolutions to be presented at the Meeting which are ordinary resolutions require the favourable vote of a majority of the Shares represented and voted in person or by proxy on such resolutions at the Meeting.

## **PROXY VOTING**

Shares represented by proxies in favour of the persons named in the enclosed Proxy Form will be voted on any poll at the Meeting and, where the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted on such poll in accordance with the specification so made.

**In the absence of such specification, such Shares will be voted FOR the matters to be acted upon as set out herein. The persons appointed under the Proxy Form furnished by the Company are conferred with discretionary authority with respect to amendments or variations of those matters specified in the Proxy Form, Notice of Annual General Meeting, Explanatory Memorandum and Management Information Circular and with respect to any other matters which may properly be brought before the Meeting. In the event that amendments or variations to matters identified in the Notice of Annual General Meeting, Explanatory Memorandum and Management Information Circular are properly brought before the Meeting, it is the intention of the persons designated in the enclosed Proxy Form to vote in accordance with their best judgement on such matter or business. At the time of printing this Management Information Circular, the management of the Company knows of no such amendment, variation or other matter.**

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company has fixed 18 October 2011 as the record date for determining Shareholders entitled to receive the Notice of Annual General Meeting. As of the close of business on 10 October 2011, there were outstanding a total of 333,475,726 Shares. Each Share is entitled to one vote on any matter submitted to Shareholders.

To the knowledge of the directors and officers of the Company as at 10 October 2011 no person beneficially owns, directly or indirectly, or exercises control or direction over ordinary shares carrying more than 10% of the votes attached to all of the outstanding Shares of the Company.

## ELECTION OF DIRECTORS

Each of the Directors listed below has advised the Company that he or she will be willing to serve as a Director if re-elected. The following table sets out the name, province or state, and country of residence of the current Directors who will continue their term of office after the meeting and the persons proposed by to be nominated for re-election as Directors, any position with the Company now held by them, their present principal occupations, the date upon which each person first became a Director of the Company and the approximate number of Shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by such person. Such information has been furnished by each of the Directors:

<b>Name, Address and Present Office Held</b>	<b>Principal Occupation</b>	<b>Shares Beneficially Owned or Controlled</b>	<b>Date of term of Office Expiry</b>	<b>Director Since</b>
Mark Savage <sup>(2) (3)</sup> Chairman Albuquerque, New Mexico USA	Chairman of CGA	3,573,880	2011 AGM	April 17, 2000
Michael Carrick Executive Director and Chief Executive Officer Perth, W.A. Australia	Chief Executive Officer of CGA	1,155,000	2013 AGM	January 6, 2004
Justine Magee <sup>(2) (4)</sup> Executive Director and Chief Financial Officer Perth, W.A. Australia	Chief Financial Officer of CGA	1,113,333	2012 AGM	November 23, 2004
Robert Scott <sup>(1) (3) (4) (5)</sup> Non Executive Independent Director Perth, W.A. Australia	Chartered Accountant. Consultant to Gooding Pervan Chartered Accountants since 1998.	-	2012 AGM	January 9, 2009
Phillip Lockyer <sup>(1) (4) (5)</sup> Non Executive Independent Director Perth, W.A. Australia	Mining Engineer and Metallurgist. Professional Company Director	-	2012 AGM	January 9, 2009

David Cruse <sup>(1)(3)(5)</sup> Non Executive Independent Director Perth, W.A. Australia	Mining Engineer and Metallurgist. Professional Company Director	20,000	2012 AGM	November 13, 2009
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Note:

- (1) Member of Audit Committee
- (2) Member of Corporate Governance Committee
- (3) Member of Remuneration Committee
- (4) Member of Disclosure Committee
- (5) Member of Nomination Committee

No current Director or Director proposed for re-election:

- (a) is, or, within the ten years before the date of this Management Information Circular has been, a director, chief executive officer or chief financial officer of any issuer that:
  - (i) was the subject of a cease trade or similar order, or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days while the Director was acting in that capacity;
  - (ii) was subject to an event that resulted, after the Director ceased to be a director, chief executive officer or chief financial officer of the issuer, in the issuer being the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, and which resulted from an event that occurred while the Director was acting in that capacity;
- (b) is, as at the date of Management Information Circular, or has been within ten years before the date of the Management Information Circular, a director or executive officer of any company (including the Company) that, while the Director was acting in that capacity or within a year of the Director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets; or
- (c) has, within the ten years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold the assets of that individual.

No current Director or Director proposed for re-election has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

## **ADOPTION OF REMUNERATION REPORT**

Section 250R(2) of the Corporations Act requires that a resolution be put to the Shareholders to adopt the remuneration report as disclosed in the Directors' Report. The vote on this resolution is advisory only and non binding. The resolution gives the Shareholders the opportunity to ask questions or make comments concerning the remuneration report during the meeting.

## **MANAGEMENT CONTRACTS**

The management functions of the Company are performed by the Directors, executive officers and full-time consultants of the Company. The Company has no management agreements or arrangements under which such management functions are performed by persons other than the Directors, executive officers and full time consultants of the Company.

## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Management of the Company is not aware of any material interest, direct or indirect, in any matter to be acted upon at the Meeting, other than the election of directors, by way of beneficial ownership of securities or otherwise, of any Director or executive officer of the Company who has held that position at any time since the beginning of the Company's last financial year, or of such Directors' or executive officers' associates or affiliates.

## **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person of the Company, and no associate or affiliate of the foregoing persons, has or had any interest, directly or indirectly, in any material transaction since the commencement of financial year ended 30 June 2011 or in any proposed transaction which, in any such case, has materially affected or will materially affect the Company or any of its subsidiaries.

## **RELATIONSHIP BETWEEN COMPANY AND PROFESSIONAL PERSONS**

In this paragraph, "professional person" means any person whose profession gives authority to a statement made by the person in the person's professional capacity and includes a barrister and solicitor (attorney), a public accountant, an appraiser, valuator, auditor, engineer or geologist.

No professional person or associate of a professional person that has made a statement in this Management Information Circular, holds any beneficial interest, direct or indirect, in any securities or property of the Company or of an associate or affiliate of the Company and no such person is expected to be elected, appointed or employed as a director, executive officer or employee of the Company or of an associate or affiliate of the Company and no such person is a promoter of the Company or an associate or affiliate of the Company.

## **EQUITY COMPENSATION PLAN INFORMATION**

The Company has adopted the Employee Option Plan to allow the Company to grant incentive stock options to its employees and consultants of the Company or its associated corporations.

The principal terms of the Employee Option Plan are set forth below:

*Eligible participants under the Employee Option Plan:* Incentive stock options ("Options") may only be granted to full or part time employees and consultants of the Company or any of its associated corporations, but not to non-employee directors.

*Maximum number of ordinary shares issuable under the Employee Option Plan:* Options may not be offered under the Employee Option Plan if the aggregate of (i) to (iv) exceeds 5% of the number of issued and outstanding Shares: (i) the number of Options to be issued; (ii) the number of Shares which would be issued if all current Options issued under any employment incentive scheme were exercised; (iii) the number of Shares which have been issued as a result of the exercise of Options issued under any employee incentive scheme, where the Options were issued during the preceding five years; and (iv) all other Shares issued pursuant to any employment employee incentive scheme during the preceding five years. However, the

Directors may, in their absolute discretion, offer Options under the scheme, notwithstanding that the 5% limit has been exceeded, up to a maximum of 10%.

Total number of securities issued and issuable under the Employee Option Plan	33,347,573
% of current outstanding share capital represented by securities issued and issuable under the Employee Option Plan	10%
Total number of securities issuable under actual grants made	3,371,250
% of current outstanding share capital represented by total number of securities issuable under actual grants made	1%
Total number of remaining securities issuable under the Employee Option Plan	18,861,323
% of current outstanding share capital represented by total number of remaining securities issuable under the Employee Option Plan	6%

*Maximum percentage of Options issuable to insiders or any one person:* The Employee Option Plan does not have a maximum percentage of Options issuable to insiders or any one person or company, subject to the aggregate limit of Options granted to all eligible participants discussed above.

*The method of determining the exercise price for ordinary shares under the Employee Option Plan:* The exercise price of the Options shall be set by the Directors as the closing Share price on the ASX for the day immediately preceding the day on which the Directors resolve to offer the Options.

*Vesting of Options:* Awards of Options shall vest as the Directors determine, in their discretion.

*Term of Options:* The expiry date of Options shall be as the Directors determine, in their discretion.

*The causes of cessation of entitlement under the Employee Option Plan:* Unless the Directors in their absolute discretion determine otherwise, Options shall lapse upon the earlier of: (i) the expiry of the exercise date; (ii) the expiry of 30 days after the Option holder ceases to be an employee by reason of retirement, resignation or termination; or (iii) a determination by the Directors that the Option holder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or an associated corporation.

*Assignability of Options:* An Option may not be transferred or assigned except that a legal personal representative of a holder of an Option who has died or whose estate is liable to be dealt with under laws relating to mental health will be entitled to be registered as the holder of that Option after the production to the Directors of such documents or other evidence as the Directors may reasonably require to establish that entitlement.

*Amendment or termination of the Employee Option Plan:* The Employee Option Plan contains an amending provision that allows the Directors to amend the Employee Option Plan, without shareholder approval, for the purposes of making formal minor or technical modifications to any of the provisions of the Employee Option Plan; to correct any ambiguity, defective provisions, error or omission in the provisions of the Employee Option Plan; to change any vesting provisions of Options; to change the termination provisions of the Options or the Employee Option Plan; to change the persons who qualify as eligible participants under the Employee Option Plan; to add or change provisions relating to any form of financial assistance provided by the Company to eligible participants that would facilitate the purchase of securities under the Employee Option Plan; to extend the term of any Option previously granted under the Employee Option Plan; and to reduce the exercise price of any Option previously granted under the Employee Option Plan. However, shareholder approval shall be obtained to any amendment to



the Employee Option Plan that results in an increase in the number of shares issuable pursuant to the Employee Option Plan, a reduction in the exercise price of an insider's Option, or an extension of the term of an insider's Option.

*Condition of exercise:* The Options are not exercisable unless the Shares have been quoted on the Australian Stock Exchange throughout the 12-month period immediately preceding the exercise of the Options, without suspension during that period exceeding in total two trading days and upon payment of the exercise price.

*Mergers, reorganizations, subdivisions, consolidations or changes in capital structure:* In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company on or prior to the expiry date of an Option, the Options will be reorganized in accordance with the listing rules of the Australian Stock Exchange.

## **SECURITIES AUTHORISED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth information as of June 30, 2011 regarding the Company's Employee Option Plan implemented on June 15, 2004 and reapproved by shareholders on November 27, 2008.

Plan Category	Number of securities to be issued upon exercise of outstanding Options, warrants and rights	Weighted-average exercise price of outstanding Options, warrants and rights (AUD \$)	Number of securities remaining available for future issuance under equity compensation plans (ie up to 10% of issued capital)
Equity compensation plans approved by security holders	3,371,250	\$1.92	22,232,573
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	3,371,250	N/A	22,232,573

The number of Options available for issuance is 10% of the Company's issued and outstanding capital.

In addition at June 30, 2011, 4,250,000 outstanding warrants (or in Australia, director options), exercisable at A\$0.65, expiring on March 31, 2012 and 3,000,000 outstanding warrants (or in Australia, director options) exercisable at A\$1.50, expiring on November 28, 2014 were on issue to Directors. These warrants were not issued pursuant to the Employee Option Plan and specific shareholder approval was obtained for their issuance.

## **INDEBTNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the Directors or executive officers or any associate or affiliate of such persons have been: (i) indebted to the Company or any subsidiary, or (ii) indebted to any other entity which indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or similar arrangement by the Company or any subsidiary, at any time since the beginning of the fiscal year ended June 30, 2011.

## EXECUTIVE COMPENSATION

### Currency and Exchange Rate

Unless otherwise indicated, all references in this Management Information Circular to:

US\$, refer to the lawful currency of the U.S;  
C\$, refer to the lawful currency of Canada; and  
A\$, refer to the lawful currency of Australia.

On June 30, 2011, the following rates of exchange were quoted:

<b>Currency Exchange</b>	<b>Reference</b>
US\$/C\$ - 0.9768	<a href="http://www.oanda.com">www.oanda.com</a>
US\$/A\$ - 0.9438	<a href="http://www.oanda.com">www.oanda.com</a>
C\$/A\$ - 0.9666	<a href="http://www.oanda.com">www.oanda.com</a>

The Company uses the United States dollar to report its financial statements and any amounts paid to Named Executive Officers in another currency have been converted into United States dollars using the exchange rates listed above.

### Aggregate Compensation

For the fiscal year ended June 30, 2011, there were four executive officers of the Company and the aggregate cash compensation paid to them by the Company was US\$1,557,359. No short term incentive amounts relating to the June 2011 financial year were paid subsequent to year end, and otherwise, except as described herein, there are no plans in effect pursuant to which cash or non-cash compensation was paid or distributed to such officers during the most recently completed financial year or is proposed to be paid or distributed in a subsequent year.

### Compensation Table

The following table sets forth a summary of the total compensation during the most recently completed financial years paid to the Company's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and the three other most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than C\$150,000 and any additional individuals who satisfy these criteria but for the fact that individual was not serving as an officer, nor acting in a similar capacity, at the end of the most recently completed financial year, hereinafter referred to as the "Named Executive Officers" or "NEOs".

## Summary Compensation Table (US \$)

Principal Position	Financial Year	Non- equity incentive plan compensation					Pension value	All Other Compensation <sup>(4)</sup>	Total compensation
		Salary <sup>(1)</sup>	Share-based awards	Option-based awards <sup>(2)</sup>	Annual incentive plans <sup>(5)</sup>	Long-term incentive plans			
Michael Carrick <sup>(3)</sup> CEO	2011	574,982	-	-	215,396	-	-	55,074	845,452
	2010	492,387	-	-	-	-	-	89,581	581,968
	2009	411,012	-	-	-	-	-	-	-
Justine Magee <sup>(3)(8)</sup> CFO	2011	413,935	-	-	212,532	-	-	43,217	669,684
	2010	338,827	-	-	-	-	-	59,819	398,646
	2009	282,830	-	-	-	-	-	-	-
Mark Savage <sup>(3)</sup> Chairman	2011	167,653	-	-	-	-	-	-	167,653
	2010	147,687	-	-	-	-	-	-	147,687
	2009	118,177	-	-	-	-	-	-	-
Wayne Foote Executive	2011	555,248	-	-	37,091	-	-	-	592,338
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Geoffrey Jones Executive	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2010	284,099	-	-	-	-	-	-	284,099
	2009	259,006	-	-	-	-	-	-	-
Mark Turner COO	2011	420,523	-	-	74,272	-	-	35,127	529,922
	2010	362,040	-	-	42,817	-	-	25,871	430,728
	2009	199,673	-	-	-	-	-	-	-

### Notes:

- Salary is calculated based on the NEO's base salary, including superannuation.
- Option-based awards amounts are valued at the date of issue using the Black-Scholes methodology, consistent with its valuation of other Option issues. The valuation is consistent with the fair value for accounting purposes. This valuation is based on a volatility of 55%, risk free rate of 3.5% and expected life of 5 years.
- Of these amounts \$167,653 paid to Mark Savage was as compensation for his services as a director of the Company. Michael Carrick and Justine Magee do not receive any specific compensation for their services as directors of the Company.
- All other compensation includes personal insurance payments, long service leave entitlements and any fringe benefits tax paid by the Company for benefits provided to the NEO.
- Annual incentive plans include discretionary bonus payments.
- Wayne Foote was appointed 21 July 2009.
- Mark Turner was appointed 15 October 2008.
- Bonuses relate to both the 2010 & 2011 financial years, however the 2010 bonuses did not vest until the current financial year. The 2011 bonus figures represent two years of bonuses.

## Outstanding Share-based Awards and Option-based Awards

The following table summarizes awards outstanding at fiscal year ended June 30, 2011 for each NEO in AUD\$.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options	Option exercise price (A\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (A\$)	Number of share or units of share that have not vested (#)	Market or payout value of share-based awards that have not vested
Michael Carrick	3,000,000 2,000,000	A\$1.50 A\$0.65	28 Nov 2013 30 Jun 2012	A\$4,020,000 A\$4,380,000	-	-
Justine Magee	750,000	A\$0.65	30 Jun 2012	A\$1,642,500	-	-
Mark Savage	1,500,000	A\$0.65	30 Jun 2012	A\$3,285,000	-	-
Geoffrey Jones	-	-	-	-	-	-
Mark Turner	400,000	A\$1.20	15 Oct 2013	A\$656,000	-	-

Notes:

- Value of unexercised in-the-money options is calculated using the closing price of Ordinary Shares of the Company on the ASX on June 30 2011 of A\$2.84 per Share, less the exercise price.

## Incentive Plan Awards – Value Vested or Earned during the Year

The following table summarises the value vested or earned on outstanding option and share based awards during the fiscal year ended June 30, 2011 for each NEO in AUD\$.

Name	Option-based awards – Value vested during the year	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
Michael Carrick <sup>(1)(2)</sup>	-	-	-
Justine Magee <sup>(2)</sup>	-	-	-
Mark Savage <sup>(2)</sup>	-	-	-
Mark Turner <sup>(3)</sup>	-	-	-
Wayne Foote	-	-	-

Notes:

- Michael Carrick was granted 3,000,000 options during the 2009 fiscal year which vested immediately. The options were granted at a strike price less than the current market price, hence had a nil value upon vesting.

2. Michael Carrick, Justine Magee and Mark Savage were all granted options in the 2007 fiscal year which vested in that year.
3. Mark Turner was granted 400,000 options in the 2009 fiscal year which vested during the 2010 fiscal year in October 2009.

### **Pension Plan Benefits**

The Company does not provide retirement benefits for directors and executive officers.

### **Termination and Change of Control Benefits**

Except for Michael Carrick, Justine Magee, Wayne Foote and Mark Turner, the Company has no current compensation plans, contracts or arrangements, with its NEO's in the event of:

- (i) the resignation, retirement or any other termination of the Named Executive Officer's employment with the Company or its subsidiaries;
- (ii) a change of control of the Company or any of its subsidiaries; or
- (iii) a change in the Named Executive Officer's responsibilities following a change of control.

The Company has renewed its service contract with Mr. Michael Carrick, Chief Executive Officer ("CEO"), which expires June 24, 2013, on similar terms as the previous contract which expired on March 31, 2009.

A service contract has been put in place with Justine Magee, Chief Financial Officer ("CFO"), which expires June 24, 2013. Ms Magee is entitled to six months salary in lieu of notice and any accrued entitlements should the Company choose to terminate her services at its option.

The service contract in place with Wayne Foote provides for three months salary in lieu of notice and any accrued entitlements should the Company choose to terminate his services at its option. In addition, if Mr Foote's employment is terminated by reason of redundancy, liquidation of the company or sale of any business, Mr Foote is entitled to a severance payment equivalent to seven months remuneration.

Finally, a service contract is also in place with Mark Turner. Mr Turner is entitled to three months salary in lieu of notice and any accrued entitlements should the Company choose to terminate his services at its option. In the case of poor performance, as evidenced by file notes showing the employee has been counselled in this regard, Mr Turner is entitled to 13 weeks pay in lieu of notice, and any accrued entitlements owing to him. In the event that Mr Turner's employment is terminated by reason of redundancy, liquidation of the company or sale of any business, Mr Turner is entitled to severance or redundancy payments equivalent to twelve months remuneration.

The following table shows estimated incremental payments triggered pursuant to termination of employment of a Named Executive Officer in accordance with the termination provisions described above:

Name	Termination Without Cause Provision Value <sup>(1)</sup>	Termination for Poor Performance <sup>(1)</sup>
Michael Carrick	US\$562,316	-
Justine Magee	US\$196,782	-
Mark Turner	US\$98,008	US\$98,008
Wayne Foote	\$105,557	-

Notes:

1. The termination values assume that the triggering event took place on the last business day of the Company's financial year-end (June 30, 2011).

## Compensation Discussion and Analysis

The Remuneration Committee's responsibilities include the review and recommendation of compensation policies for the Company; the review and recommendation to the Board for approval of compensation and incentive plans including bonus and option grants; and the performance review, recruitment and compensation for the Chief Executive Officer (including establishing objectives on an annual basis) and other senior officers. It is the responsibility of the Remuneration Committee to ensure management compensation is competitive to enable the Company to attract talented individuals. The Remuneration Committee ensures that the Company has a plan for continuity of its officers and an executive compensation plan that is motivational and competitive, to attract, hold and inspire the performance of executive management and other key personnel.

The Remuneration Committee does not rely on any formula, or objective criteria and analysis to determine an exact amount of compensation to pay. Compensation decisions are made through discussion by the Remuneration Committee, with input from the CEO, with the final recommendations of the Remuneration Committee being submitted to the Board of Directors for further discussion and final approval. The target is for the total compensation package granted to the CEO to be comparable to other similar sized mining companies, however there is no fixed formula, or pre-determined set of peer companies that is used for this determination.

Each executive officer's compensation consists of a base salary and bonus together with certain perquisites. Base compensation is determined following a review of comparable compensation packages for that position, together with an assessment of the responsibility and experience required for the position to ensure that it reflects the contribution expected from each executive officer. Information regarding comparable salaries and overall compensation is derived from the knowledge and experience of the members of the Remuneration Committee takes into consideration a variety of factors. These factors include overall financial and operating performance of the Company, the Committee and the Board's overall assessment of each executive's individual performance and contribution towards meeting corporate objectives, levels of responsibility, length of service and industry comparables. Each of these factors is evaluated on a subjective basis.

The salary for each executive officer's position is primarily determined having regard for the incumbent's responsibilities, individual performance factors, overall corporate performance, and the assessment of such individuals as presented by management to the Board and the Remuneration Committee. The CEO's compensation is also primarily determined in this manner. Remuneration levels are reviewed as required by the Remuneration Committee on an individual contribution basis in the form of performance appraisal meeting. This incorporates analysis of key performance indicators with each individual to ensure that the level of reward is aligned with respective responsibilities and individual contributions made to the success of the Company.

During the 2011 fiscal year, total compensation paid to the Named Executive Officers has increased relative to the prior year period to \$2,805,049 from \$1,843,128. The reason for the increase in compensation to the Named Executive Officers is principally due to the inclusion of an additional NEO, Wayne Foote, in this years calculation as well as foreign currency exchange fluctuations as base salaries are paid in Australian dollars, however, in line with the Company's functional currency, they are presented in USD.

#### *Base Compensation*

In the committee's view, paying base compensation that is competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. There have been no increases to the base remuneration of any of the Named Executive Officers during the 2011 financial year. The Named Executive Officers base salaries are paid in Australian dollars. In line with the Company's functional currency, they are presented in USD hence fluctuations may occur due to foreign exchange movements.

#### *Short Term Incentive Plan*

The Company does not maintain any Short Term Incentive Plans for its CEO or other Named Executive Officers.

#### *Option-based Awards*

The Company believes that encouraging its executive officers and employees to become Shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Company's stock option plan. Options are granted to executive officers taking into account a number of factors, including the amount and terms of Options previously granted, base compensation and performance bonuses, if any, and competitive factors. During the 2011 fiscal year, the Board did not grant any Options to purchase Common Shares to NEO's. All Options granted are granted at or above market prices, with a term of five years. Suggested grants of Options are subject to recommendation from the Board of Directors for approval.

#### *Performance Bonuses*

Executive compensation in the form of performance bonuses awarded is related in part to the Company's performance. It is difficult in the mineral exploration and early stage mining industry, where growth of the Company is in its early stages, to quantitatively measure the Company's performance. However, it is possible to apply a combination of qualitative and quantitative metrics to this process, and the Company measures its performance by reviewing such items as:

- earnings per share, cash flow per share, and overall financial performance;
- growth in the Company's total resources and reserves;
- development progress on the Company's projects;
- the ability of the Company to recruit and attract professionals who are recognized as leaders within their sector;
- confidence of the investment community in the Company; and
- absence of negative dealings with respect to environmental issues, safety issues, or

regulatory agencies.

The Company does have objective criteria or benchmarks for the criteria listed above, instead they are considered on a subjective basis. Consideration for performance bonus awards for the fiscal 2011 year were based primarily on share performance, company performance, and the executive officer's performance. The Company performed well both based on its share price and operational success in fiscal 2011. The Company awarded a total of \$539,291 in performance bonuses to NEO's in the 2011 financial year, however this figure also included amounts relating to the 2010 year which did not vest until the 2011 year.

### Performance Graph

The Shares of the Company currently trade on the ASX (under the symbol "CGX") and the TSX (under the symbol "CGA"). The ordinary Shares were initially listed on the TSX on February 21, 2005.

The following chart presents the performance of the ordinary Shares of the Company as traded on the TSX from July 1, 2005 to June 30, 2011 with the performance of the S&P/TSX Composite Index from July 1, 2005 to June 30, 2011. The ordinary Share performance as set out in the graph does not necessarily indicate future price performance.

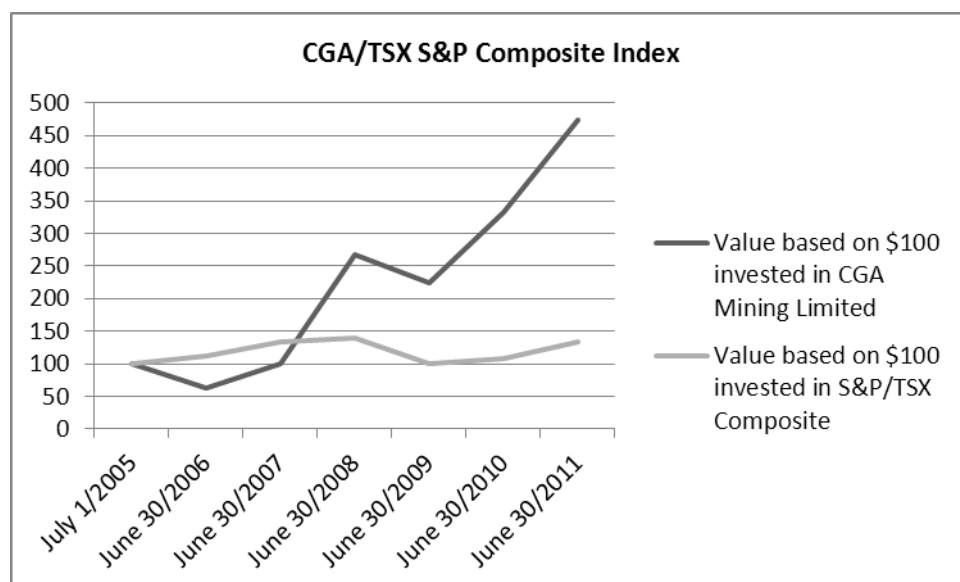


Fig 1 – CGA/TSX S&P Composite Index

	July 1/2005	June 30/2006	June 30/2007	June 30/2008	June 30/2009	June 30/2010	June 30/2011
<b>Value based on \$100 invested in CGA Mining Limited</b>	100	63.33	100	266.67	223.33	333.33	473.33
<b>Value based on \$100 invested in S&amp;P/TSX Composite</b>	100	111.42	133.42	138.8	99.54	108.36	133.79

The following chart presents the performance of the ordinary Shares of the Company as traded on the ASX from July 1, 2005 to June 30, 2011 with the performance of the ASX All Ordinaries Index from July 1, 2005 to June 30, 2011. The ordinary Share performance as set out in the graph does not necessarily indicate future price performance.



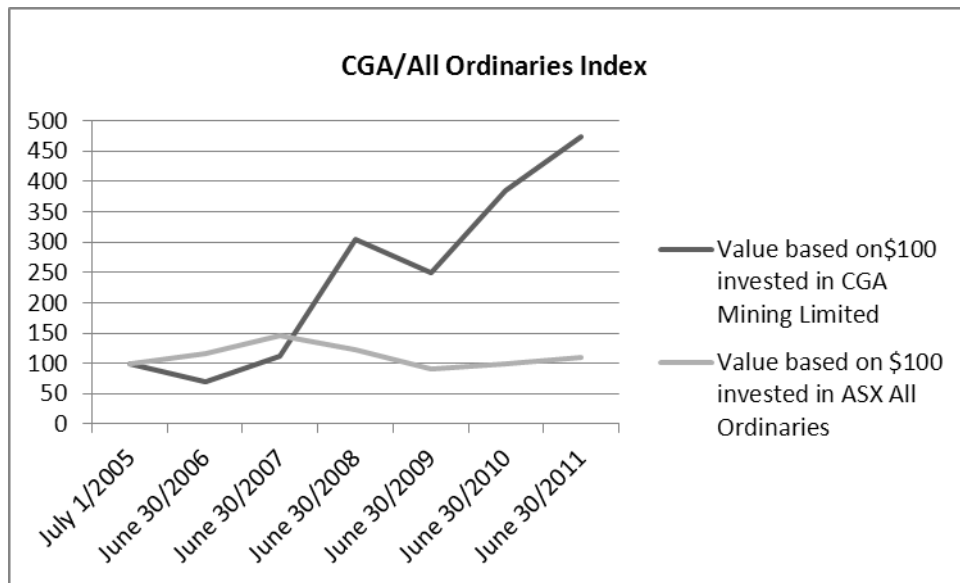


Fig 2 – CGA/All Ordinaries Index

	July 1/2005	June 30/2006	June 30/2007	June 30/2008	June 30/2009	June 30/2010	June 30/2011
<b>Value based on \$100 invested in CGA Mining Limited</b>	100	70.69	112.07	305.17	250	384.48	473.33
<b>Value based on \$100 invested in ASX All Ordinaries</b>	100	115.81	145.18	122.69	90.82	99.5	110.31

The majority of trading in the Company historically was principally undertaken on the ASX, however more recently this has shifted so that the majority of trading now occur on the TSX. Accordingly, comparisons between the TSX and ASX traded share price at times may not necessarily be reflective of trading history.

The Company does take into account overall share price performance in determining executive compensation amounts, however, share price performance is just one of the many factors, as discussed above, that the Company takes into consideration. Overall, the base salaries for the Named Executive Officers have had an upward trend, related to the upward trend in the performance graphs above. However, there is not a direct correlation between the Company's Share price performance and the amount of compensation paid to Named Executive Officers.

## COMPENSATION OF DIRECTORS

### Compensation Table

The following table sets forth a summary of the total compensation during the most recently completed financial years paid to the Company's Directors. Disclosure about compensation paid to Michael Carrick, Justine Magee and Mark Savage in their capacities as directors has already been disclosed previously under the heading "Executive Compensation – Summary Compensation Table". All amounts are in US\$.

Name and Principal Position	Financial Year	Fees Earned	Share-based awards	Option-based awards	Non-equity incentive plan compensation	Pension value	All Other Compensation	Total compensation
Robert Scott Non-executive director	2011	61,147	-	-	-	-	-	61,147
Phillip Lockyer Non-executive director	2011	61,147	-	-	-	-	-	61,147
David Cruse Non-executive director	2011	61,147	-	-	-	-	-	61,147

### Outstanding Share-based Awards and Option-based Awards

Name,	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised Options	Option exercise price	Option expiration date	Value of unexercised in-the-money Options	Number of share or units of share that have not vested (#)	Market or payout value of share-based awards that have not vested (CAD\$)
Robert Scott	-	-	-	-	-	-
Phillip Lockyer	-	-	-	-	-	-
David Cruse	-	-	-	-	-	-

### Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-based awards – Value vested during the year	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
Robert Scott	-	-	-
Phillip Lockyer	-	-	-
David Cruse	-	-	-

### APPOINTMENT OF AUDITORS

The auditors of the Company are Ernst & Young LLP, and they were first appointed August 31, 2005.

### CORPORATE GOVERNANCE

The Company believes that sound corporate governance practices are essential to ensure the well-being and future development of the Company. Corporate governance practices are the structures and processes employed to oversee, direct and manage the business and affairs of the Company. The practices define the division of power between the Board and management and establish mechanisms for achieving accountability by the Board and management.

The Canadian Securities Administrators (the “**CSA**”) have adopted National Policy 58-201 – *Corporate Governance Guidelines* (the “**Guidelines**”) effective June 30, 2005, which recommends certain best practices for corporate governance in Canada, and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), which requires the Company to annually disclose its corporate governance practices.

In accordance with NI 58-101 and with reference to the Guidelines, below is a statement of the Company’s current corporate governance practices. The Board is committed to maintaining high standards of corporate governance. Accordingly, it will continue to review its corporate governance practices on a regular basis to assess the effectiveness and appropriateness of such practices. Additional information relating to the Company’s Audit Committee, including the disclosure required by National Instrument 52-110 – *Audit Committees* can be found in the Company’s annual information form for the financial year ended June 30, 2011.

## **Board of Directors**

### *Independence*

The Board of Directors is currently comprised of Mr Michael Carrick, Mr Mark Savage, Ms Justine Magee, Mr Robert Scott, Mr Phillip Lockyer, and Mr David Cruse. The Guidelines recommend that a majority of the Board of Directors be independent within the meaning of NI 58-101.

Of the current directors, Mr Robert Scott, Mr Phillip Lockyer and Mr David Cruse are considered independent within the meaning of NI 58-101. Ms Justine Magee, Mr Michael Carrick and Mr Mark Savage are executive officers of the Company and are therefore not considered independent for the purposes of NI 58-101.

### *Other Directorships*

We refer you to section 1 of the Director’s Report in the Annual Financial Report to find details of other directorships held by the Board and such section is incorporated by reference herein. This can be accessed on SEDAR at [www.sedar.com](http://www.sedar.com). Upon request, the Company will provide a copy of the Annual Financial Report free of charge to security holders of the Company.

### *Meetings*

The Guidelines recommend that the independent directors convene regularly scheduled meetings at which non-independent directors and members of management are not in attendance. Given the size of the Company, the current composition of the Board and the nature of activities to date, the independent directors do not convene separate meetings. This practice will be reassessed as the Company grows. The Company has taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management. The Directors can request at any time a meeting restricted to independent directors for the purpose of discussing matters independently of management.

The attendance record of each Director for all Board meetings held since the beginning of the Company’s most recently completed financial year is as follows:

	Committee Meetings					
	Directors Meetings	Audit	Corporate Governance	Remuneration	Nomination <sup>(1)</sup>	Disclosure
<b>Number of Meetings Held</b>	3	1	-	1	-	-
<b>Number of Meetings Attended</b>						
Mark S Savage	2	-	-	1	-	-
Michael J Carrick	2	-	-	-	-	-
Justine A Magee	3	-	-	-	-	-
Robert N Scott	3	1	-	1	-	-
Phil C Lockyer	3	1	-	-	-	-
David A Cruse	2	1	-	1	-	-

Note:

(1) There have been no meetings of the Nomination Committee as there has been no changes to the board since its inception.

#### *Chairman*

The Guidelines recommend that the Chairman of the Board be an independent director. The current Chairman, Mr. Mark Savage, is an executive officer of the Company and is not considered independent under the definition of NP 58-101, however he is considered an independent director for the purpose of Australian regulatory requirements.

The Board provides leadership to its independent directors by encouraging a culture of ethical business conduct. The Board encourages each member of the Board of Directors to conduct a self-review to determine if they are providing an effective service in regards to both the Company and its Shareholders. Should it be deemed that a member of the Board of Directors is unable to effectively act on behalf of the Board or in the interests of the Company or its Shareholders, the Director would be encouraged to resign his/her position on the Board.

#### **Board Charter**

A copy of the Charter may be obtained on the Company's website [www.cgaming.com](http://www.cgaming.com) and is also attached to the Company's most recent annual information form, available on the SEDAR website at [www.sedar.com](http://www.sedar.com) under the Company's SEDAR profile.

#### **Position Descriptions**

The Board has defined the obligations and duties of each Director, the Chairman, the Chief Executive Officer and President of the Company and has established position descriptions for the Chair of each Committee of the Board.

The chair of the Board and the Remuneration Committee meet annually to set annual objectives for the Chief Executive Officer, along with delineating the roles and responsibilities of the CEO. The Committee reviews and approves the objectives of the Chief Executive Officer and evaluates the Chief Executive Officer's performance in connection with these objectives. The Committee will also determine whether the roles and responsibilities of the CEO correspond with achieving these objectives.

### **Orientation and Continuing Education**

The Company provides new Directors with an orientation program upon joining the Company that includes copies of relevant financial, technical, geological and other information regarding its properties, strategic objectives and meetings with management. New directors also receive copies of the Board Mandate and the Company's Code of Ethics and Conduct.

Given the size and nature of the Company's affairs, to date each Director has personally been responsible for continuing education and/or industry governance and compliance updates. Mr Carrick, Ms Magee and Mr Scott are members of a relevant accounting body which also requires ongoing professional education of a minimum 40 hours per annum.

### **Ethical Business Conduct**

The Company has implemented a Code of Ethics and Conduct (the "**Code**"), which provides guidelines aimed at maintaining high ethical standards, corporate behaviour and accountability within the Company.

All employees and directors are expected to:

- respect the law and act in accordance with it;
- respect confidentiality and not misuse company information, assets or facilities;
- value and maintain professionalism;
- avoid real or perceived conflicts of interest;
- act in the best interests of shareholders;
- by their actions contribute to the Company's reputation as a good corporate citizen which seeks the respect of the community and environment in which it operates;
- perform their duties in ways that minimise environmental impacts and maximise workplace safety;
- exercise fairness, courtesy, respect, consideration and sensitivity in all dealings within their workplace and with customers, suppliers and the public generally; and
- act with honesty, integrity, decency and responsibility at all times.

In addition, the Board has a stated policy that a director must abstain from discussion and voting on any matter which may be the subject of a real or perceived conflict of interest. The relevant director will leave the room and not participate in any consideration of the issue.

The Board monitors general compliance with the Code. An employee that breaches the Code may face disciplinary action. If an employee suspects that a breach of the Code has occurred or will occur, he or she is required to report that breach to management. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach and all reports will be acted upon and kept confidential.

A copy of the Company's Code is available on the Company's website [www.cgaming.com](http://www.cgaming.com) and on the SEDAR website at [www.sedar.com](http://www.sedar.com) under the Company's SEDAR profile.

## **Nomination of Directors**

The Board prepares a shortlist of potential candidates through discussion with respected financial, legal and commercial institutions and interviews the interested candidates. The key criteria include the following:

- Professional background and related qualifications.
- Industry experience and relevant professional relationships.
- Other board appointments.
- Professional standing and reputation in the investment and mining community.
- Membership of industry committees.
- Specialised technical or financial background that would complement or support the existing skills and experience on the Board at that time.

The Nomination Committee comprises the following members, Robert Scott, Philip Lockyer and David Cruse. The committee undertakes the process of reviewing the skill base and experience of existing Directors to enable identification of attributes required in new Directors. Where appropriate, independent consultants are engaged to assist in identifying possible new candidates for the Board.

## **Compensation**

The broad remuneration policy of the Company is to ensure that remuneration properly reflects the relevant person's duties and responsibilities, and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Board believes that the best way to achieve this objective is to provide Executive Directors and executives with a remuneration package consisting of fixed components that reflect the person's responsibilities, duties and personal performance.

The remuneration of Non-Executive Directors is determined by the Board as a whole having regard to the level of fees paid to Non-Executive Directors by other companies of similar size in the industry. For further details about the Compensation practices of the Company please see "Executive Compensation".

## **Remuneration Committee**

The Remuneration Committee comprises the following members, Robert Scott, David Cruse and Mark Savage. The Board is able to ensure an objective process for determining compensation by focusing on the factors and benchmarks discussed in "Composition of Remuneration Committee and Report on Executive Compensation". The goals of the Remuneration Committee of the Board of Directors are to enable the Company to attract, retain and motivate the most qualified talent who will contribute to the long term success of the Company by:

1. aligning compensation with the Company's business objectives and performance; and
2. aligning incentives with the interests of stockholders to maximize shareholder value.

The Remuneration Committee's primary responsibilities include developing compensation recommendations for the approval of the full Board for the Company's executive officers' and the Board Directors. Compensation includes but is not limited to salary, bonuses, benefits, stock option grants, stock purchases and other compensation as appropriate. Additionally, the Remuneration Committee will review and make recommendations to the full Board on all

matters pertaining to bonus plans, salary policy, stock option and stock purchase plans for all other employees.

See “Composition of Remuneration Committee and Report on Executive Compensation” for further details.

### **Other Board Committees**

Other than the Audit and Remuneration Committees, the board also has established a Disclosure Committee, Nomination Committee and a Corporate Governance Committee.

The Disclosure Committee is comprised of the following members, Robert Scott, Phillip Lockyer and Justine Magee. The Company has a substantial and ongoing interest in, and is firmly committed to, disseminating accurate, consistent and timely information. The Company is also subject to, and is committed to complying fully with, laws and stock exchange requirements governing the nature, extent and timeliness of its disclosures and other disclosure-related matters.

The Corporate Governance Committee is comprised of the following members, Justine Magee, and Mark Savage. The committee’s mandate is to assist the Board in establishing and maintaining a sound system of corporate governance through a process of continuing assessment and enhancement.

The Corporate Governance Committee is responsible for examining the effectiveness of the Company’s corporate governance practices and proposing such procedures and policies as the Committee believes are appropriate to ensure that:

- (i) the Board clearly functions independently of management;
- (ii) management is clearly accountable to the board of directors of the Company; and
- (iii) procedures are in place to monitor the effectiveness of performance of the Board, Committees of the Board and individual directors.

### **Assessment of Effectiveness of the Board, its Committees and Individual Directors**

The Corporate Governance Committee undertakes an annual assessment of the overall effectiveness of the Board, its Committees and individual directors. The committee is responsible for matters including developing the Company’s approach to governance issues, annually reviewing the Board Mandate; reviewing the Company’s compliance with applicable governance guidelines and assessing the effectiveness of the Board of Directors and its committees. Current and potential new directors are evaluated by this committee annually to ensure that each member of the board of directors has the expected competencies and skills.

### **OTHER MATTERS**

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters come before the Meeting, Shares represented by proxies solicited hereby will be voted on such matter in accordance with the best judgment of the person voting the proxy.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com) or the Company’s website [www.cgamining.com](http://www.cgamining.com). The most recent financial information of the Company is provided in the comparative annual financial statements of the

Company and management's discussion and analysis related thereto for the year ended June 30, 2011. Shareholders may request copies of such documents by written request to the Company at Level 5, BGC Centre, 28 The Esplanade, Perth, Western Australia, 6000 (telephone: +61 (08) 9263 4000).

APPROVED BY THE BOARD OF DIRECTORS OF CGA MINING LIMITED.

DATED at Perth, Western Australia this 19<sup>th</sup> day of October, 2011.

**BY ORDER OF THE BOARD**

Hannah Hudson

Company Secretary



## ANNEXURE A

### Summary of Option Plan terms

- (a) The Directors may, subject to paragraph (d), offer to issue Options to Eligible Employees in accordance with the Scheme and in such manner and on such terms and conditions as they in their absolute discretion determine.
- (b) The Eligible Employees to participate in the Scheme shall be as the Directors in their absolute discretion determine and shall take into account skills, experience, length of service with the Company, remuneration level and such other criteria as the Directors consider appropriate in the circumstances. Directors are not Eligible Employees.
- (c) Options may not be offered under this Scheme without the issue of a prospectus in accordance with Chapter 6D of the Corporations Act, if the aggregate of:
  - (i) the number of Options to be issued;
  - (ii) the number of Shares which would be issued if all the current Options issued under any employment incentive scheme were exercised;
  - (iii) the number of Shares which have been issued as a result of the exercise of Options issued under any employee incentive scheme, where the Options were issued during the preceding five years; and
  - (iv) all other Shares issued pursuant to any employee incentive scheme during the preceding five years;but disregarding any offer made, Options or Shares issued by way of or as a result of:
  - (i) an offer to a person situated at the time of receipt of the offer outside Australia;
  - (ii) an offer that was an excluded offer or invitation within the meaning of the Corporations; or
  - (iii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act,would exceed 5% of the then current number of Shares on issue.
- (d) The Directors may, in their absolute discretion, offer to an Eligible Employees Options under the Scheme, notwithstanding that it has previously issued more than the 5% limit in paragraph (d), up to a maximum of 10%, provided that the issue is made in accordance with the requirements of Chapter 6D of the Corporations Act.
- (e) Options will be issued free of charge to Eligible Employees. The exercise price of the Options shall be as the Directors in their absolute discretion determine, provided that it shall not be less than that amount which is equal to 90% of the average market price of the Shares in the 5 days in which sales in the Shares were recorded immediately preceding the day on which the Directors resolve to offer the Options. The exercise price of the Options shall be as the Directors in their absolute discretion determine, provided that it shall not be less than the

closing market price of the Shares immediately preceding the day on which the Directors resolve to offer the Options.

- (f) The Options are not exercisable unless the Shares have been quoted on ASX throughout the 12 month period immediately preceding the exercise of the Options, without suspension during that period exceeding in total 2 trading days.
- (g) The Directors, in their absolute discretion, having regard to skills, experience, length of service with the Company, remuneration level and such other criteria as the Directors consider appropriate in the circumstances, shall determine performance criteria to establish the periods during which the Options may be exercised.
- (h) All Options with a common expiry date shall have the same exercise price and rights to participate in issues of securities by the Company.
- (i) Unless the Directors in their absolute discretion determine otherwise, Options shall lapse upon the earlier of:
  - (i) the expiry of the exercise date;
  - (ii) the expiry of 30 days after the Option holder ceases to be an Eligible Employees by reason of retirement, resignation or termination; or
  - (iii) a determination by the Directors that the Option holder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or an Associated Body Corporate;
- (j) If an Eligible Employee accepts an offer from the Company to participate in the Scheme then the Company will evidence the issue of an Option to an Eligible Employee by issue that Eligible Employee a Certificate for that Option.
- (k) Each Option entitles the holder to subscribe for and be issued one Share.
- (l) Shares issued pursuant to the exercise of Options will in all respects, including bonus issues and new issues, rank equally and carry the same rights and entitlements as other Shares on issue.
- (m) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (n) The Options will not be quoted on ASX. However, application will be made to ASX for official quotation of the Shares issued on the exercise of the Options if the Shares are listed on ASX at that time.
- (o) An application to be issued Options may be made by Eligible Employees invited to participate in the Scheme in such form and on such terms and conditions concerning the closing date for applications as the Directors in their absolute discretion determine.
- (p) If at any time the issued capital of the Company is reconstructed, all rights of Option holders are to be changed in a manner consistent with the Listing Rules.

- (q) Subject to and in accordance with the Listing Rules (including any waiver issued under such Listings Rules), the Directors (without the necessity of obtaining the prior or subsequent consent of shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add to or vary) all or any provisions of the Terms and Conditions in any respect whatsoever, by an instrument in writing, provided that rights or entitlements in respect of any Option issued before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.
- (r) At the absolute discretion of the Directors, the terms upon which Options will be issued may incorporate performance related factors. Such factors may reflect, inter alia, profitability levels, increases in production or decreases in production costs and may, subject to paragraph (p) above, be amended from time to time in a manner favourable to the Option holder. However such performance related factors, if included in the Option terms or so amended shall not act in any way to constitute a breach of the Terms and Conditions.
- (s) Notwithstanding the Terms and Conditions, upon the occurrence of a Trigger Event the Directors may determine:
  - (i) that the Options may be exercised at any time from the date of such determination, and in any number until the date determined by the Directors acting bona fide so as to permit the holder to participate in any change of control arising from a Trigger Event provided that the Directors will forthwith advise in writing each holder of such determination; or
  - (ii) to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Trigger Event in which case the Directors shall determine an appropriate period during which the holder may elect to accept the offer.
- (t) An Option may not be transferred or assigned except that a legal personal representative of a holder of an Option who has died or whose estate is liable to be dealt with under laws relating to mental health will be entitled to be registered as the holder of that Option after the production to the Directors of such documents or other evidence as the Directors may reasonably require to establish that entitlement.
- (u) An Option is exercisable by the holder lodging with the Company a Notice of Exercise of Option together with a cheque for the exercise price of each Option to be exercised and the relevant Option Certificate. If not all of the holder's Options are being exercised, a holder must exercise Options in multiples of 1,000.
- (v) Neither participation in the Scheme by the Company or an Associated Body Corporate or any Eligible Employees or Option holders or anything contained in these Terms and Conditions shall in any way prejudice or affect the right of the Company or an Associated Body Corporate to dismiss any Eligible Employees or Option holder or to vary the terms of employment of any Eligible Employees or Option holder. Nor shall participation or the rights or benefits of an Eligible Employees or Option holder under the Terms and Conditions be relevant to or used as grounds for granting or increasing damages in any action brought by an Eligible Employees or Option holder against the Company or an Associated Body Corporate whether in respect of any alleged wrongful dismissal or otherwise.

- (w) At all times during which Eligible Employees may subscribe for or purchase Shares upon exercise of an Option issued pursuant to the Scheme, the Company shall provide, within a reasonable period of a request by an Eligible Employees, the current market price of the Shares and the offer price of the Options and the Shares. The manner in which this information will be made available shall be explained in the invitation to Eligible Employees to purchase Shares.
- (x) The Scheme shall be administered by the Directors who shall have power to:
  - (i) determine appropriate procedures for administration of the Scheme consistent with these Terms and Conditions;
  - (ii) resolve conclusively all questions of fact or interpretation or dispute in connection with the Scheme and settle as the Directors in their absolute discretion determine expedient any difficulties or anomalies howsoever arising with or by reason of the operation of the Scheme;
  - (iii) delegate to any one or more persons for such period and on such conditions as it may determine the exercise of any of the Directors' powers or discretions arising under the Scheme; and
  - (iv) subject to the Listing Rules, waive strict compliance with, amend or add to the Terms and Conditions of the Scheme except for the provisions of clause (d), and where such actions are taken such actions shall be conclusive, final and binding on Option holders.

**ANNEXURE B**

**CGA Mining Limited  
ACN 009 153 128**

**Employee Option Scheme**

**Information Booklet**

This booklet is important and the whole booklet should be read carefully. If you want further information or have any enquiries then you should contact Justine Magee or you may wish to contact your usual professional adviser.

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## 1. Purpose of the Scheme

The CGA Mining Limited ACN 0092 153 128 Employee Option Scheme provides Eligible Employees with the opportunity to acquire an ownership interest in the Company. Eligible Employees will be invited to participate in the Scheme as referred to in this Information Booklet.

## 2. Independent advice

You should obtain your own independent advice on the financial, taxation and other consequences relating to your participation in the Scheme.

## 3. Risk

As with any investment in shares there can be no guarantee that the market value of the Shares will not fall in the future. There is also no assurance as to future dividends or distributions since these are dependent on earnings and the financial condition of the Company Group.

## 4. Insider information

Eligible Employees should be aware that there are restrictions imposed by general law and the Corporations Act on dealing in shares by persons who possess material information likely to affect the value of the shares and which is not generally available (“**insider information**”). These laws may restrict the acquisition or disposal of Shares by employees during the time they possess insider information. Eligible Employees wishing to sell Shares may make their own arrangements through a stockbroker and all costs involved will be payable by the Eligible Employee.

## 5. Scheme Terms and Conditions

The Directors are empowered to operate the Scheme in accordance with the Listing Rules and on the following terms and conditions:

- (a) The Directors may, subject to paragraph 1.1(c), offer to issue Options to Eligible Employees in accordance with the Scheme and in such manner and on such terms and conditions as they in their absolute discretion determine.
- (b) If the Company has offered you Options, to accept the offer complete the Acceptance Form or accept in such other form as the Directors may in their absolute discretion approve from time to time.
- (c) The Eligible Employees to participate in the Scheme shall be as the Directors in their absolute discretion determine and shall take into account skills, experience, length of service with the Company, remuneration level and such other criteria as the Directors consider appropriate in the circumstances.
- (d) Options may not be offered under this Scheme without the issue of a prospectus in accordance with Chapter 6D of the Corporations Act, if the aggregate of:
  - (i) the number of Options to be issued;
  - (ii) the number of Shares which would be issued if all the current Options issued under any employment incentive scheme were exercised;
  - (iii) the number of Shares which have been issued as a result of the exercise of Options issued under any employee incentive scheme, where the Options were issued during the preceding five years; and
  - (iv) all other Shares issued pursuant to any employee incentive scheme during the preceding five years;

but disregarding any offer made, Options or Shares issued by way of or as a result of:

- (v) an offer to a person situated at the time of receipt of the offer outside Australia;
- (vi) an offer that was an excluded offer or invitation within the meaning of the Corporations Act as it stood prior to the commencement of Schedule 1 of the Corporate Law Economic Reform Program Act 1999; or
- (vii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act

would exceed 5% of the then current number of Shares on issue.



- (e) The Directors may, in their absolute discretion, offer to an Eligible Employees Options under the Scheme, notwithstanding that it has previously issued more than the 5% limit in paragraph 1.1(c), up to a maximum of 10%, provided that the issue is made in accordance with the requirements of Chapter 6D of the Corporations Act.
- (f) Options will be issued free of charge to Eligible Employees. The exercise price of the Options shall be as the Directors in their absolute discretion determine, provided that it shall not be less than the closing market price of the Shares immediately preceding the day on which the Directors resolve to offer the Options.
- (g) The Options are not exercisable unless the Shares have been quoted on ASX throughout the 12 month period immediately preceding the exercise of the Options, without suspension during that period exceeding in total 2 trading days.
- (h) The Directors, in their absolute discretion, having regard to skills, experience, length of service with the Company, remuneration level and such other criteria as the Directors consider appropriate in the circumstances, shall determine performance criteria to establish the periods during which the Options may be exercised.
- (i) All Options with a common expiry date shall have the same exercise price and rights to participate in issues of securities by the Company.
- (j) Unless the Directors in their absolute discretion determine otherwise, Options shall lapse upon the earlier of:
  - (i) the expiry of the exercise date;
  - (ii) the expiry of 30 days after the Option holder ceases to be an Eligible Employees by reason of retirement, resignation or termination; or
  - (iii) a determination by the Directors that the Option holder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or an Associated Body Corporate;
- (k) If an Eligible Employee accepts an offer from the Company to participate in the Scheme then the Company will evidence the issue of an Option to an Eligible Employee by issue that Eligible Employee a Certificate for that Option.
- (l) Each Option entitles the holder to subscribe for and be issued one Share.
- (m) Shares issued pursuant to the exercise of Options will in all respects, including bonus issues and new issues, rank equally and carry the same rights and entitlements as other Shares on issue.
- (n) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will

ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (o) The Options will not be quoted on ASX. However, application will be made to ASX for official quotation of the Shares issued on the exercise of the Options if the Shares are listed on ASX at that time.
- (p) An application to be issued Options may be made by Eligible Employees invited to participate in the Scheme in such form and on such terms and conditions concerning the closing date for applications as the Directors in their absolute discretion determine.
- (q) If at any time the issued capital of the Company is reconstructed, all rights of Option holders are to be changed in a manner consistent with the Listing Rules.
- (r) Subject to and in accordance with the Listing Rules (including any waiver issued under such Listings Rules), the Directors (without the necessity of obtaining the prior or subsequent consent of shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add to or vary) all or any provisions of the Terms and Conditions in any respect whatsoever, by an instrument in writing, provided that rights or entitlements in respect of any Option issued before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.
- (s) At the absolute discretion of the Directors, the terms upon which Options will be issued may incorporate performance related factors. Such factors may reflect, inter alia, profitability levels, increases in production or decreases in production costs and may, subject to paragraph (p) above, be amended from time to time in a manner favourable to the Option holder. However such performance related factors, if included in the Option terms or so amended shall not act in any way to constitute a breach of the Terms and Conditions.
- (t) Notwithstanding the Terms and Conditions, upon the occurrence of a Trigger Event the Directors may determine:
  - (i) that the Options may be exercised at any time from the date of such determination, and in any number until the date determined by the Directors acting bona fide so as to permit the holder to participate in any change of control arising from a Trigger Event provided that the Directors will forthwith advise in writing each holder of such determination; or
  - (ii) to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Trigger Event in which case the Directors shall determine an appropriate period during which the holder may elect to accept the offer.

- (u) An Option may not be transferred or assigned except that a legal personal representative of a holder of an Option who has died or whose estate is liable to be dealt with under laws relating to mental health will be entitled to be registered as the holder of that Option after the production to the Directors of such documents or other evidence as the Directors may reasonably require to establish that entitlement.
- (v) An Option is exercisable by the holder lodging with the Company a Notice of Exercise of Option together with a cheque for the exercise price of each Option to be exercised and the relevant Option Certificate. If not all of the holder's Options are being exercised, a holder must exercise Options in multiples of 1,000.
- (w) Neither participation in the Scheme by the Company or an Associated Body Corporate or any Eligible Employees or Option holders or anything contained in these Terms and Conditions shall in any way prejudice or affect the right of the Company or an Associated Body Corporate to dismiss any Eligible Employees or Option holder or to vary the terms of employment of any Eligible Employees or Option holder. Nor shall participation or the rights or benefits of an Eligible Employees or Option holder under the Terms and Conditions be relevant to or used as grounds for granting or increasing damages in any action brought by an Eligible Employees or Option holder against the Company or an Associated Body Corporate whether in respect of any alleged wrongful dismissal or otherwise.
- (x) At all times during which Eligible Employees may subscribe for or purchase Shares upon exercise of an Option issued pursuant to the Scheme, the Company shall provide, within a reasonable period of a request by an Eligible Employees, the current market price of the Shares and the offer price of the Options and the Shares. The manner in which this information will be made available shall be explained in the invitation to Eligible Employees to purchase Shares.
- (y) The Scheme shall be administered by the Directors who shall have power to:
  - (i) determine appropriate procedures for administration of the Scheme consistent with these Terms and Conditions;
  - (ii) resolve conclusively all questions of fact or interpretation or dispute in connection with the Scheme and settle as the Directors in their absolute discretion determine expedient any difficulties or anomalies howsoever arising with or by reason of the operation of the Scheme;
  - (iii) delegate to any one or more persons for such period and on such conditions as it may determine the exercise of any of the Directors' powers or discretions arising under the Scheme; and
  - (iv) subject to the Listing Rules, waive strict compliance with, amend or add to the Terms and Conditions of the Scheme except for the provisions of clause (d), and where such actions are taken such actions shall be conclusive, final and binding on Option holders.

## 6. Definitions, Interpretation and Governing Law

### 6.1 Definitions

In this Information Booklet the following terms shall bear the following meanings:

**"Acceptance Form"** means the acceptance form in Schedule 1.

**"Associated Body Corporate"** means:

- (i) a related body corporate (as defined in the Corporations Act) of the Company;
- (ii) a body corporate which has an entitlement to not less than 20% of the voting shares of the Company; and
- (iii) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

**"ASX"** means Australian Stock Exchange Limited.

**"Business Day"** means those days other than a Saturday, Sunday, New Year's Day, Australia Day, Good Friday, Easter Monday, Anzac Day, Christmas Day, Boxing Day and any other day which the ASX shall declare and publish is not a business day.

**"Certificate"** means a certificate for any Option issued to Eligible Employees which will include all of the terms and conditions of the Option and the Notice of Exercise of Option or such other evidence of ownership that the Directors may in their absolute discretion determine from time to time.

**"Company"** means CGA Mining Limited ACN 009 153 128.

**"Company Group"** means the Company and its Associated Bodies Corporate.

**"Corporations Act"** means the Corporations Act 2001 (Commonwealth).

**"Directors"** mean the directors from time to time of the Company.

**"Eligible Employees"** means full or part time employees and consultants of the Company or its Associated Bodies Corporate excluding Directors.

**"Listing Rules"** means the official listing rules of ASX as amended from time to time.

**"Notice of Exercise of Option"** means the Notice of Exercise of Option in Schedule 2 or such other form as the Directors may in their absolute discretion approved from time to time.

**"Offer Period"** means the period referred to in the definition of that expression in Section 624 of the Corporations Act, provided that where a takeover bid is publicly announced prior to the service of a off-market bidder's statement on the Company in relation to that takeover bid the Offer Period shall be deemed to have commenced at the time of that announcement.

**"Option"** means an option to acquire a Share issued in accordance with the Scheme.

**"Scheme"** means the CGA Mining Limited ACN 002 107 799 Employee Option Scheme which Eligible Employees will be invited to participate in accordance with the Terms and Conditions.

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

**"Terms and Conditions"** means the terms and conditions in section 5 as amended from time to time.

**"Trigger Event"** means:

- (i) the despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- (ii) the service of a bidder's statement or a like document on the Company; or
- (iii) the date upon which a person or a group of associated person becomes entitled, subsequent to the date of issue of the Option, to sufficient Shares to give it or them the ability, in general meeting to replace all or allow a majority of Directors in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

## 6.2 Interpretation

In Information Booklet:

- (a) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

- (b) the expression "person" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;

- (d) a reference to any document (including this booklet) is to that document as varied, novated, ratified or replaced from time to time;
- (e) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (f) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
- (g) references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this booklet, and a reference to this booklet includes any schedule, exhibit or annexure to this booklet;
- (h) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) the word "includes" in any form is not a word of limitation;
- (j) a reference to "\$" or "dollar" is to Australian currency;
- (k) if any day appointed or specified by this booklet for the payment of any money or doing of any thing falls on a day which is not a Business Day, the day so appointed or specified shall be deemed to be the next Business Day.

### **6.3 Governing law**

The Scheme is governed by and will be construed according to the laws of Western Australia.

# Schedule 1 - Acceptance Form

## CGA MINING LIMITED

ACN 009 153 128

### Acceptance of Offer of Options

To: The Directors  
CGA Mining Limited  
5<sup>th</sup> Floor  
28 The Esplanade  
PERTH WA 6000

I/ We \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ accept the offer of \_\_\_\_\_ Options to

subscribe for Shares in the Company.

I/We understand the information provided to us in the Information Booklet and the Terms and Conditions.

I/We understand that if the Options are not exercisable by the XX<sup>th</sup> of XXXX 20XX they will lapse.

Dated:

\_\_\_\_\_  
[Eligible Employees signature]

or

**Executed** by CGA Mining Limited in )  
accordance with section 127 of the )  
*Corporations Act.* )  
)

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Signature of Secretary/other Director

\_\_\_\_\_  
Name of Director in full

\_\_\_\_\_  
Name of Secretary/other Director in full

## Schedule 2 – Notice of Exercise of Option

### CGA MINING LIMITED

ACN 002 107 799

### Notice of Exercise of Option

To: The Directors  
CGA Mining Limited  
5<sup>th</sup> Floor  
28 The Esplanade  
PERTH WA 6000

I/We \_\_\_\_\_

Of \_\_\_\_\_

being the registered holder(s) of Options as referred to in the attached certificate hereby exercise  
\_\_\_\_\_ of the aforementioned Options.

Enclose is my/our cheque for \$[ ] in payment of the exercise of the Options calculated on the basis of the exercise price for each Option.

I/We authorise and direct the Company to register me/us as the holder of the Share(s) to be allotted to me/us and agree to accept such Shares subject to the provisions of the Constitution of the Company.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 20[ ]

\_\_\_\_\_  
[Please sign here]

In case of joint holders each holder must sign. An application by a company must be executed in accordance with the company's constitution or as authorised by the Corporations Act. If signing on behalf of a company as a sole director and sole secretary, please ensure that "Sole Director and Sole Secretary" is written beside your signature. Cheques should be made payable to "CGA Mining Limited".



# CGA Mining Limited

ABN 88 009 153 128

## Lodge your vote:



### By Mail:

CGA Mining Limited  
BCG Centre, Level 5  
28 The Esplanade  
Perth WA 6000

Alternatively you can fax your form to  
+61 8 9263 4020

For intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

000001 000 CGX  
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 10:30am (WST) Sunday 20 November 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](http://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:

[www.cgamining.com](http://www.cgamining.com)

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

[www.investorcentre.com](http://www.investorcentre.com)

Your secure access information is:

SRN/HIN: I9999999999



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

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**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.



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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 CGA Mining 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 CGA Mining Limited to be held on the ground floor of the BCG Centre, 28 The Esplanade, Perth, Western Australia on Tuesday, 22 November 2011 at 10:30am (WST) and at any adjournment of that meeting.

#### Important for Items 2 and 3 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Items 2 and 3 as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Items 2 and 3, the Chairman of the Meeting will not cast your votes on Items 2 and 3 and your votes will not be counted in computing the required majority if a poll is called on these Items. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Items 2 and 3).

The Chairman of the Meeting intends to vote all available proxies in favour of Items 2 and 3 of business.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Items 2 and 3 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Items 2 and 3 are connected directly or indirectly with the remuneration of a member of key management personnel and/or even if the Chairman of the Meeting has an interest in the outcome of these Items 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 Re-election of Mark Savage as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Employee Stock Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Adoption of Directors Remuneration Report	<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

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / / \_\_\_\_\_

CGX

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Computershare +