



Union Resources Limited

A.B.N. 40 002 118 872

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Sydney, NSW, Australia

Postal Address:
GPO Box 1494
Sydney NSW 2001
Australia

31 October 2011

Company Announcements Office
Australian Securities Exchange

ANNUAL GENERAL MEETING

The Company's 2011 Annual General Meeting will be held on 29 November 2011.

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

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

Yours faithfully

UNION RESOURCES LIMITED

John Lemon
Director/Company Secretary



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NOTICE OF ANNUAL GENERAL MEETING

Date of Meeting: Tuesday, 29 November 2011
Time of Meeting: 11.00 am (New South Wales Time)
Place of Meeting: Raffles Room I
Entrance via Terrace On Kent
167 - 187 Kent Street
Millers Point,
Sydney, NSW
Australia

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

UNION RESOURCES LIMITED
ABN 40 002 118 872
NOTICE OF ANNUAL GENERAL MEETING

The 2011 Annual General Meeting of Union Resources Limited ("the Company") will be held at Raffles Room I, entry via Terrace On Kent, 167 – 187 Kent Street, Millers Point, Sydney, New South Wales, Australia on Tuesday, 29 November 2011 at 11.00 am (New South Wales time).

The Company's 2011 Annual Report can be accessed via the Company's website at http://www.unionresources.com.au/userfiles/file/130_union_resources_2011_annual_report%2020%20sept%20-%20final.pdf.

AGENDA

1. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, Directors' Report and Independent Audit Report for the Company and its controlled entities for the financial year ended 30 June 2011.

2. QUESTIONS AND COMMENTS

Shareholders will be given a reasonable opportunity to:

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

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

3. RESOLUTION 1 - ELECTION OF DIRECTOR – G NAKAZIBWE-SEKANDI

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

"That Ms Gida Nakazibwe-Sekandi, who was appointed a director of the Company by the Directors on 21 January 2011 pursuant to clause 57.1 of the Company's constitution, is elected as a director of the Company with effect from the end of the Meeting."

4. RESOLUTION 2 – ELECTION OF DIRECTOR – S GEMELL

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

"That Mr Stephen Gemell, who was appointed a director of the Company by the Directors on 30 September 2011 pursuant to clause 57.1 of the Company's constitution, is elected as a director of the Company with effect from the end of the Meeting."

5. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – J LEMON

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

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

6. RESOLUTION 4 – CONSOLIDATION OF SHARE CAPITAL

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

"That for the purposes of Section 254H of the Corporations Act 2001 (Cth) and for all other purposes, the consolidation of every 30 Shares into 1 Share with fractions of a Share being rounded up to the nearest whole number is approved."

7. RESOLUTION 5 – CHANGE OF NAME

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

“That the name of the Company be changed to UCL Resources Limited.”

8. RESOLUTION 6 – APPOINTMENT OF AUDITOR

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

“That Lawler Partners, having been nominated by a member of the Company and having consented to act, is appointed auditor of the Company.”

9. RESOLUTION 7 - PERFORMANCE RIGHTS PLAN – ISSUE APPROVAL

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

“That the issue of securities in accordance with the Union Resources Limited Performance Rights Plan be approved for the purposes of ASX Listing Rule 7.2 and for all other purposes.”

10. RESOLUTION 8 - ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR I. ROSS

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

“That for the purposes of ASX Listing Rule 10.14 and Chapter 2E Corporations Act 2001 (Cth), and for all other purposes, the Company is authorised to issue up to 606,668 Performance Rights to Ian Wargent Ross or his nominee on the terms and conditions contained in the Notice of Meeting.”

11. RESOLUTION 9 - ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR J. LEMON

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

“That for the purposes of ASX Listing Rule 10.14 and Chapter 2E Corporations Act 2001 (Cth), and for all other purposes, the Company is authorised to issue up to 403,334 Performance Rights to John Andrew Lemon or his nominee on the terms and conditions contained in the Notice of Meeting.”

12. RESOLUTION 10 - ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR C. JORDINSON

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

“That for the purposes of ASX Listing Rule 10.14 and Chapter 2E Corporations Act 2001 (Cth), and for all other purposes, the Company is authorised to issue up to 1,616,668 Performance Rights to Christopher Terence Jordinson or his nominee on the terms and conditions contained in the Notice of Meeting.”

13. RESOLUTION 11 - ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR G. NAKAZIBWE-SEKANDI

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

“That for the purposes of ASX Listing Rule 10.14 and Chapter 2E Corporations Act 2001 (Cth), and for all other purposes, the Company is authorised to issue up to 202,000 Performance Rights to Gida Nakazibwe-Sekandi or her nominee on the terms and conditions contained in the Notice of Meeting.”

14. RESOLUTION 12 - REMUNERATION REPORT

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

“That the Remuneration Report for the year ended 30 June 2011 be adopted.”

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

A handwritten signature in black ink that reads "John Lemon". The signature is written in a cursive style with a large initial 'J'.

J A Lemon
Director/Company Secretary

27 October 2011

UNION RESOURCES LIMITED
ABN 40 002 118 872

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM

INTRODUCTION

This Explanatory Memorandum forms part of the notice convening the Company's Annual General Meeting to be held on Tuesday, 29 November 2011. This Explanatory Memorandum is to assist Shareholders in understanding the background to and implications of the resolutions proposed, and procedural matters concerning the Meeting. Terms used in this Explanatory Memorandum are defined in Section 16.

1. AGENDA ITEM 1 – CONSIDERATION OF REPORTS

- 1.1 The Financial Report, the Directors' Report and the Independent Audit Report for the year ended 30 June 2011 will be presented for consideration.
- 1.2 The abovementioned reports were released by the Company to ASX on 22 September 2011. They can be viewed at the Company's website at http://www.unionresources.com.au/userfiles/file/130_union_resources_2011_annual_report%2020%20sept%20-%20final.pdf. Shareholders are not required to vote on the reports, however Shareholders will be given a reasonable opportunity to ask questions concerning the reports.

2. AGENDA ITEM 2 – QUESTIONS AND COMMENTS

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

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

 - (i) the content of the Auditor's report to be considered at the Annual General Meeting; or
 - (ii) the conduct of the audit of the annual financial report to be considered at the Annual General Meeting.
- 2.5 A shareholder must give the question to the Company (who will pass it on to the Auditor) **no later than Tuesday, 22 November 2011**. If you wish to submit a question to the Company's auditor please deliver it, marked "Attention: The Company Secretary, Union Resources Limited", to the Company either personally or by post or facsimile to the address or facsimile number designated in Section 13.7 of this Explanatory Memorandum. Alternatively, if you are submitting a Proxy Form (see section 13 of this Explanatory Memorandum) you may send it together with the Proxy Form, provided it is received **by 5.00 pm (AEDST) on Tuesday, 22 November 2011**.

3. AGENDA ITEM 3 (RESOLUTION 1) – ELECTION OF DIRECTOR – G NAKAZIBWE-SEKANDI

- 3.1 Gida Nakazibwe-Sekandi was appointed by the Company's directors as a director of the Company on 21 January 2011 pursuant to clause 57.1 of the Company's constitution which allows the Company's directors to appoint a person to fill a casual vacancy or as an addition to the existing Directors. Under the Company's constitution Ms Nakazibwe-Sekandi will hold office as a director until the end of the Annual General Meeting on 29 November 2011, and may be re-elected as a Director at that meeting.
- 3.2 Ms Nakazibwe-Sekandi obtained a Bachelor of Law (LLB) in 1976 at the University of Makerere in Kampala, Uganda followed by a Diploma for Legal Practice in 1977. She practiced as a lawyer for over nine years in Uganda and Zimbabwe and is an accredited public relations practitioner. She is currently an Executive Director of the Group Professional Services Division of Capricorn Investment Holdings Limited, a regional financial services group based in Namibia and Botswana with interests in banking (including 72.9% ownership of Bank Windhoek – the only locally owned bank in Namibia), insurance, asset management, investments and micro finance. The Group Professional Services Division includes the practice areas Legal Advisory, Company Secretariat and Board Affairs, Corporate Audit Services, Business Process Management and Corporate Marketing and Communication Services. Prior to this Ms Nakazibwe-Sekandi was the Executive Director Corporate Marketing for Capricorn Investment Holdings which included provision of Corporate Marketing and Communication services to the Group Companies, and before that had corporate roles with Bank Windhoek and Rossing Uranium Limited. Ms Nakazibwe-Sekandi is Chair of the Company's Remuneration & Nomination Committee and Audit Committee.
- 3.3 The Company's directors (with Ms Nakazibwe-Sekandi abstaining) recommend that Shareholders vote in favour of Resolution 1.

4. AGENDA ITEM 4 (RESOLUTION 2) – ELECTION OF DIRECTOR – S GEMELL

- 4.1 Stephen Gemell was appointed by the company's directors as a director of the company on 30 September 2011 pursuant to clause 57.1 of the company's constitution which allows the company's directors to appoint a person to fill a casual vacancy or as an addition to the existing directors. Under the company's constitution Mr Gemell will hold office as a director until the end of the annual general meeting on 29 November 2011, and may be re-elected as a director at that meeting.
- 4.2 Mr Gemell has over 35 years of experience in the Australasian, African, European and Americas mining industries. Mr Gemell's experience includes both underground and open-cut mining covering project evaluation, feasibility studies, development and operational management. In addition, Mr Gemell has acted as an independent expert or technical auditor for both mining companies and financial institutions. He has been principal of Gemell Mining Engineers, an independent multi-discipline consultancy, since its formation in Kalgoorlie in 1984. Mr Gemell has held executive and non-executive directorships in listed mining companies such as Zimbabwe Platinum Mines Limited (now Zimplats Holdings Limited), and is currently a non-executive director of Argent Minerals Limited, Eastern Iron Limited, Indochine Mining Limited and UXA Resources Limited.
- 4.3 The company's directors (with Mr Gemell abstaining) recommend that Shareholders vote in favour of Resolution 2.

5. AGENDA ITEM 4 (RESOLUTION 3) – RE-ELECTION OF DIRECTOR – J LEMON

- 5.1 In accordance with the Company's constitution John Lemon retires by rotation at the end of the annual general meeting on 29 November 2011 and, being eligible, offers himself for re-election as a director of the Company.
- 5.2 Mr Lemon has been the Company's Company Secretary since 13 February 2006 and a director of the Company since 25 March 2008. He is a qualified solicitor and has held a number of positions as Company Secretary and/or Legal Counsel with various companies, including roles with MIM Holdings Limited, General Electric Company and Bank of Queensland Limited. He is currently Company Secretary of several other companies,

including a number of ASX-listed companies, and is also a director of ASX-listed Pacific Environment Limited.

- 5.3 The Company's directors (with Mr Lemon abstaining) recommend that Shareholders vote in favour of Resolution 3.

6. AGENDA ITEM 5 (RESOLUTION 4) – CONSOLIDATION OF SHARE CAPITAL

- 6.1 Resolution 4 provides for the consolidation of the Company's share capital in a ratio of one (1) new share for every thirty (30) shares held. If passed, it will result in the Company's issued capital being reduced from 2,424,195,686 shares to approximately 80.8 million shares with individual holdings being reduced in accordance with the 30 to 1 consolidation ratio. The Company has an abnormally high number of shares on issue for a company of its size and market capitalisation, and the Company's directors believe that the share consolidation will establish a share price that is more appropriate for a listed entity of its size.
- 6.2 As the consolidation applies equally to all Shareholders (subject only to the rounding of fractions) it will have no material effect on the percentage interest of each Shareholder of the Company. Furthermore, the aggregate value of each Shareholder's proportionate interest in the Company should not materially change solely as a result of the consolidation. Theoretically the market price per share following the consolidation should be 30 times the market price per share before the consolidation. In reality the actual effect on the per share market price will depend on a number of factors outside the control of the Company and may be higher or lower than the theoretic post-consolidation price.
- 6.3 The Directors believe that the consolidation is fair and reasonable to the Company's shareholders as a whole. The consolidation will have no tax implications for Shareholders whose shares are consolidated.
- 6.4 If Resolution 4 is passed the Company's convertible securities on issue (options and convertible note) will be treated in the following manner:

Pre-Consolidation	Post-Consolidation
6,000,000 options exercisable @ 2.0 cents per share on or before 31 March 2013	200,000 options exercisable @ 60.0 cents per share on or before 31 March 2013
1,333,333 options exercisable @ 2.1 cents per share on or before 31 March 2015	44,445 options exercisable @ 63.0 cents per share on or before 31 March 2015
1,333,333 options exercisable @ 1.3 cents per share on or before 31 March 2015	44,445 options exercisable @ 39.0 cents per share on or before 31 March 2015
1,333,333 options exercisable @ 0.5 cents per share on or before 31 March 2015	44,445 options exercisable @ 15.0 cents per share on or before 31 March 2015
One 7.5% unsecured redeemable convertible note maturing 4 November 2012, having a face value of \$500,000 and redeemable into 100,000,000 fully paid ordinary shares	One 7.5% unsecured redeemable convertible note maturing 4 November 2012, having a face value of \$500,000 and redeemable into 3,333,334 fully paid ordinary shares

6.5 If Resolution 4 is passed the following timetable will apply:

29 November 2011	Shareholders approve 30 for 1 share consolidation & ASX is advised
30 November 2011	Last day for trading in pre-reorganised securities
1 December 2011	Trading in the re-organised securities on a deferred settlement basis starts
7 December 2011	Last day for Company to register transfers on a pre-reorganisation basis
8 December 2011	Company sends notices to each security holder and: a) in the case of uncertificated holdings, first day for the Company to register securities on a post-reorganisation basis and first day for issue of holding statements. b) in the case of certificated holdings, first day for issue of new certificates.
14 December 2011	a) despatch date b) Last date for securities to be entered into the holders' security holdings. If securities are certificated, last day for the Company to issue them and send the certificates to the holders. c) Last day for the Company to send notice to each security holder.

6.6 The Company's directors recommend that Shareholders vote in favour of Resolution 4.

7. AGENDA ITEM 7 (RESOLUTION 5) – CHANGE OF NAME

7.1 Shareholder approval is sought to change the Company's name to "UCL Resources Limited". The Company's directors believe that it is appropriate that the Company's name be changed in response to the fact that the Company's circumstances have changed in recent years, including in particular the Company's significant focus on the Namibian Sandpiper Phosphate Project. The Company's directors believe the proposed new name will in effect help in establishing the Company's new identity. The "UCL" in the proposed name of "UCL Resources Limited" is the same as the Company's ASX code.

7.2 Section 157 of the Corporations Act requires that a special resolution of Shareholders be passed in order for the name of the Company to be changed. If the special resolution is passed the Company will notify ASIC and the change of name will take effect when ASIC alters the details of the Company's registration.

7.3 The Corporations Act provides that the Company's name may only be changed by special resolution, i.e. by a resolution that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

7.4 The Company's directors recommend that Shareholders vote in favour of Resolution 5.

8. AGENDA ITEM 8 (RESOLUTION 6) – APPOINTMENT OF AUDITOR

8.1 Following the relocation of the Company's head office from Brisbane, Queensland to Sydney, New South Wales this year the Company's current auditor, Brisbane-based Lawler Hacketts, has given notice of its intention to resign as the Company's auditor with effect from the annual general meeting on 29 November 2011. In order for this to happen the Australian Securities and Investments Commission ("ASIC") must consent to Lawler Hacketts' resignation. Lawler Hacketts has duly obtained ASIC's consent to its resignation as the Company's auditor with effect from the Company's annual general meeting on 29 November 2011.

8.2 Under section 328B *Corporations Act 2001* the Company may appoint a person or entity as auditor at its annual general meeting only if a member gives the company written notice of the nomination of that person or entity as auditor. A written nomination for Sydney-based firm Lawler Partners to be appointed as the Company's auditor has been received from a

Member and is attached to this Explanatory Memorandum. (Lawler Hacketts, although independent of Lawler Partners, has an affiliation with Lawler Partners).

8.3 Lawler Partners has consented in writing to its appointment as the Company's auditor.

8.4 The Company's directors recommend that Members vote in favour of Resolution 6.

9. AGENDA ITEM 9 (RESOLUTION 7) - PERFORMANCE RIGHTS PLAN – ISSUE APPROVAL

9.1 The Company's directors adopted the Union Resources Limited Performance Rights Plan ("the Plan") on 25 October 2011 to help attract and retain the services of persons who are viewed as important to the future success of the Company and as a means of rewarding and incentivising the Company's directors, employees and contractors in a cost-effective way which helps to align Directors', employees' and contractors' interests with those of the Company's shareholders. A Performance Right is a right to be issued a Share upon satisfaction of certain performance conditions. The Company's directors propose from time to time to approve the issue of Performance Rights under the Plan to employees and contractors of the Company. The Plan also make provision for the issue of Performance Rights to directors of the Company, however in accordance with ASX Listing Rules requirements Shareholder approval will be sought for the issue of any Performance Rights to directors of the Company under the Plan.

9.2 The Australian Securities and Investments Commission ("ASIC") takes the view that performance rights generally fall outside the definition of 'eligible offer' in Class Order [CO 03/184] Employee share schemes (which provides conditional relief from the disclosure and licensing provisions of the Corporations Act for certain offers relating to shares made to employees under an employee share scheme). The Company has sought legal advice as to whether it is required to apply to ASIC for a declaration enabling it to offer Performance Rights under the Plan. Until such time as the matter is clarified and any requisite relief granted by ASIC the Company will not offer any Performance Rights under the Plan.

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

9.4 The Company's directors have the power to issue Performance Rights and subsequently shares under the Plan, however the Directors consider it prudent to seek shareholder approval so that such issues will not be taken into account for the purpose of the 15% limit under Listing Rule 7.1. As required by ASX Listing Rule 7.2 (Exception 9(b)) the following information is provided:

- (i) No securities have been issued under the Plan and the Plan has not previously been approved by Shareholders.
- (ii) The following is a summary of the Plan Rules:

Overview

The Plan allows the Company to issue Performance Rights to eligible executives, which will automatically convert into an equivalent number of Shares after certain performance conditions have been satisfied or they will lapse.

Who is eligible to participate?

Participation in the Plan is by Invitation only. That is, only those eligible executives invited by the Board to apply will be able to participate. An executive includes a director or senior executive of a Group Company.

Operation of the Plan

The Plan is designed to provide participating eligible executives with an increased incentive to make a contribution to the long term growth and performance of the Group.

The grant of Performance Rights to a Participant entitles the Participant to be granted an equivalent number of Shares upon vesting of those Performance Rights. A Participant may exercise any vested Performance Right by delivering a signed Exercise Notice to the Company in accordance with the Plan. The Company has also established a trust for the sole purpose of subscribing for or purchasing, delivering and allocating Performance Right Shares under the Plan. Accordingly, any Performance Right Shares will, if so directed by the Board, be purchased and held by the trustee on trust for the Participant in accordance with the terms of the Trust Deed and the Plan Rules. Following a vesting of the Performance Rights, Participants are entitled to issue a notice to the trustee requiring legal title in the Performance Rights Shares to be transferred to the Participant where Performance Shares are so held by the Trustee.

Consideration for Performance Rights and Performance Shares

A Participant is not required to pay any consideration for the acquisition of a Performance Right. A Participant is required to pay for Performance Shares as determined by the Board from time to time

Performance or vesting conditions

Vesting of Performance Rights under the Plan will be subject to vesting conditions as determined by the Board of the Company and specified in the Participants' invitation(s), which shall include performance conditions.

Vesting timeframes

If Performance Rights under the Plan will be subject to vesting conditions as determined by the Board of the Company and specified in the Participants' invitations(s), which may include service and/or performance conditions.

Lapsing of Performance Rights

Performance Rights will lapse:

- upon the Participant ceasing to be an employee or director of a Group Company unless such resulted through no fault of that Participant, in which case, the Performance Rights will lapse six months from the date that Participant ceased to be an employee or director;
- if the vesting conditions under the Plan have not been met at the vesting date; or
- the vesting conditions have not been met and the Board determines that the vesting conditions cannot be met by the vesting date.

Transfer of Performance Rights

A Participant is not entitled to assign, transfer, sell encumber, hedge or otherwise deal with a Performance Right except in accordance with the Trust Deed and the Plan Rules.

Rights attaching to Performance Right Shares

Performance Right Shares will rank pari passu with all existing Shares from the date of allocation and will be entitled in full to those dividends which have a record date for determining entitlements after the date of issue.

Quotation of Performance Right Shares

Performance Rights will not be quoted on the ASX, The Company will make application to the ASX for official quotation of Shares issued on Performance Rights becoming vested Performance Rights, as soon as practicable after the Shares are issued to, or acquired by, either the Participant or the trustee, as the case may be.

Limitation on issue

The number of Performance Rights which may be granted under this Plan must not exceed (assuming all outstanding Performance Rights were exercised) a maximum of five percent (5%) of the total issued capital of the Company at the time of the grant of the Performance Rights, excluding unregulated offers.

Variation to the Plan Rules

The Board may alter the Plan Rules or their application in accordance with the Listing Rules and the Company's Constitution and otherwise in accordance with the terms of the Plan Rules.

(iii) Voting exclusion statement

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

- a director of the Company; and
 - an associate (as defined in the ASX Listing Rules) of a director of the Company.
- However, the Company need not disregard a vote if:
- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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

9.5 The Company's directors recommend that shareholders vote in favour of Resolution 7.

10. AGENDA ITEMS 10 - 13 (RESOLUTIONS 8 - 11) – ISSUE OF PERFORMANCE RIGHTS TO DIRECTORS

10.1 Background

Shareholder approval is sought in Agenda items 10 - 13 for the issue of a total of 2,828,670 Performance Rights to the Company's Directors, Messrs Ross, Lemon and Jordinson and Ms Nakazibwe-Sekandi. It is proposed that the issue of the Performance Rights be made under the Union Resources Limited Performance Rights Plan (refer to Section 9 of this Explanatory Memorandum (above) for details of the Plan). The issue of Performance Rights (and any subsequent Share upon satisfaction of performance hurdles) is seen as a cost effective way of providing the Directors a tangible incentive to enhance the performance of the Company.

10.2 The Performance Rights proposed to be issued and their vesting events (whereupon the recipient is entitled to receive one Share for each Performance right) are as follows:

Performance Rights Recipient	Vesting Event & No. of Performance Rights to be Issued				Total Performance Rights
	Mehdiabad Zinc Company being granted a valid licence to exploit the Mehdiabad Zinc Mine in Iran	Completion of the Definitive Feasibility Study in respect of the Sandpiper Phosphate Project in Namibia	Completion of Phase 1 (On completion of the first ROM ore discharged from the dredge vessel) of the Development of the Sandpiper Project	First commercial shipment of beneficiated phosphate from the Sandpiper Project	
Ian Ross		303,334		303,334	606,668
John Lemon		201,667		201,667	403,334
Chris Jordinson	485,000	485,000	323,334	323,334	1,616,668
Gida Nakazibwe-Sekandi		101,000		101,000	202,000
Total	485,000	1,091,001	323,334	929,335	2,828,670

A recipient will have 30 days after the relevant vesting event in which to elect to receive a share for each Performance Right previously issued to him/her in respect of the relevant vesting event. The cost to the recipient of exercising the relevant Performance right (and thereby receiving one Share for the Performance Right) will be that price which is the 60 days Value Weighted Average Price (“VWAP”) of a share of the Company on the ASX immediately prior to the relevant vesting event.

10.3 ASX Listing Rule Requirements

ASX Listing Rule 10.14 provides that an ASX-listed company must not permit a director of the company to acquire securities under an employee incentive scheme (such as the Plan) without the approval of the company’s shareholders. Performance rights are securities for the purposes of the ASX Listing rules. The notice of the meeting to obtain shareholders’ approval must comply with Listing Rule 10.15A. Therefore, as required by Listing Rule 10.15A, the following information is provided:

- (i) The maximum number of Performance Rights that may be issued to Messrs Ross, Lemon and Jordinson and Ms Nakazibwe-Sekandi or their nominees is 2,828,670, allocated as follows:
 - Ian Ross – 606,668
 - John Lemon – 403,334
 - Chris Jordinson – 1,616,668
 - Gida Nakazibwe-Sekandi – 202,000
- (ii) There is no monetary consideration payable for the issue of the Performance Rights. The price payable for a Share upon exercise of a Performance Right will be based on the market price of the Company’s fully paid ordinary shares and will be that price which is the 60 days Value Weighted Average Price (“VWAP”) of a share of the Company on the ASX immediately prior to the relevant vesting event.
- (iii) No parties have received securities under the Plan previously.
- (iv) The Directors entitled to participate in the Plan are Messrs Ross, Lemon and Jordinson and Ms Nakazibwe-Sekandi.
- (v) No loans will be provided to the proposed Performance Rights recipients.
- (vi) Details of any securities issued under the Plan will be published in each annual report of the Company relating to a period in which securities have been issued, together with a statement that approval for the issue of securities was obtained under ASX Listing Rule 10.14.
- (vii) Any additional related parties who may become entitled to participate in the Plan after Resolutions 8 – 11 are approved and who were not named in the Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.
- (viii) The Performance Rights and any resultant shares will be issued no later than 3 years after the Meeting.
- (ix) **Voting Exclusion Statement**

The Company will disregard any votes cast by a Director and an associate (as defined in the ASX Listing Rules) of a Director in respect of Resolutions 8 – 11 (Agenda items 10 – 13).

However, the Company need not disregard a vote if:

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

As required by the Corporations Act a vote must not be cast on any of Resolutions 8 - 11 by a member of the Group's Key Management Personnel, or a Closely Related Party of such a person, acting as proxy, if their appointment does not specify the way the proxy is to vote on the Resolution. However, the Company will not disregard any proxy votes cast on any of Resolutions 8 - 11 by a member of the Group's Key Management Personnel if that person is the chair of the Meeting acting as proxy and their appointment as proxy expressly authorised the chair to exercise the proxy even though the Resolution is connected with the remuneration of a member of the Group's Key Management Personnel.

10.4 Performance Rights Terms

The material terms of the Performance Rights the subject of Resolutions 8 - 11 are set out in Sections 9.3 and 10.2 (above).

Chapter 2E Corporations Act 2001 (Cwth)

10.5 Chapter 2E *Corporations Act 2001 (Cwth)* ("the *Corporations Act*") prohibits a public company from giving a financial benefit to a related party of the public company unless the benefit falls within one of the various exceptions to the general prohibition. One of the exceptions includes where the company first obtains the approval of its shareholders in general meeting in circumstances where the requirements of Chapter 2E in relation to the convening of that meeting have been met.

10.6 A "related party" for the purposes of the *Corporations Act* is widely defined and includes a director of the public company.

10.7 A "financial benefit" for the purposes of the *Corporations Act* has a very wide meaning and includes the public company issuing securities to the related party. The resolutions proposed in Agenda items 10 - 13, if passed, will confer "financial benefits" on Messrs Ross, Lemon and Jordinson and Ms Nakazibwe-Sekandi, and the Company therefore seeks to obtain member approval in accordance with the requirements of Chapter 2E *Corporations Act*. For this reason and for all other purposes the following information is provided to Shareholders.

(a) Related parties

The related parties to whom the proposed resolutions in Agenda items 10 - 13 would permit the financial benefits to be given are:

- (i) Ian Ross (or his nominee), the Non-Executive Chairman of the Company's Board of Directors;
- (ii) Chris Jordinson (or his nominee), the Company's Managing Director;
- (iii) Mr John Lemon (or his nominee), a director of the Company and the Company's Company Secretary; and
- (iv) Ms Nakazibwe-Sekandi (or her nominee), a non-executive director of the Company.

(b) Nature of the financial benefits

The nature of the proposed financial benefits to be given is:

- (i) the grant of:
 - 606,668 Performance Rights to Mr Ross as referred to in Agenda item 10;
 - 403,334 Performance Rights to Mr Lemon as referred to in Agenda item 11;
 - 1,616,668 Performance Rights to Mr Jordinson as referred to in Agenda item 12;
 - 202,000 Performance Rights to Ms Nakazibwe-Sekandi as referred to in Agenda item 13;
- (ii) the Performance Rights shall be granted for no cash consideration; and
- (iii) the Performance Rights will result in the issue of Shares in certain circumstances. The purchase price of a Share will be that price which is the 60 days Value Weighted Average Price ("VWAP") of a share of the Company on the ASX immediately prior to the relevant vesting event (refer to Sections 9.3 and 10.2 (above) for the terms and conditions of the Performance Rights).

(c) Directors' Recommendation

Each of Messrs Ross, Lemon and Jordinson and Ms Nakazibwe-Sekandi expresses no opinion and makes no recommendation in respect of the resolution that applies specifically to him. Otherwise, the Company's directors recommend that Shareholders approve the resolutions proposed in Agenda items 10 - 13 for the following reasons:

- (i) the grant of the Performance Rights as proposed to Messrs Ross, Lemon and Jordinson and Ms Nakazibwe-Sekandi will help to retain their services and provide them with incentive for future services they will provide to the Company to further the progress of the Company;
- (ii) the grant of Performance rights will provide a cost-effective and efficient incentive as opposed to alternative forms of incentive (e.g. cash bonuses, increased remuneration) as it will enable the Company to conserve cash reserves; and
- (iii) the proposed terms and conditions of the Performance Rights are designed to align Messrs Ross, Lemon and Jordinson and Ms Nakazibwe-Sekandi's entitlement to be issued Shares under the Plan with increased Shareholder value which is likely to be achieved upon the satisfaction of the performance hurdles which the issue of Shares under the Plan to Messrs Ross, Lemon and Jordinson and Ms Nakazibwe-Sekandi is conditional on.

(d) Directors' Interests

Messrs Ross, Lemon and Jordinson and Ms Nakazibwe-Sekandi ("the Recipients") each has a material personal interest in the outcome of Agenda Items 10, 11, 12 and, 13 respectively, as it is proposed that Performance Rights be granted to them (or their respective nominees) as set out in those Agenda items. Each of the Recipients has an interest in shares in the Company, as detailed in the table below. If all of the Performance Rights granted result in the issue of Shares to the Recipients under the Plan the following will be the effect on their holdings in the Company:

Director	No. of Company's Shares in which Director holds Interest ⁽¹⁾	% of Total Shares on Issue ⁽²⁾	No. of Shares in which Director holds interest if Performance Rights convert to Shares ⁽¹⁾	% of Total Shares on Issue following issue of Shares upon satisfaction of Performance Rights ⁽¹⁾
I Ross	233,334	0.28	840,000	0.99
J Lemon	13,889	0.01	417,223	0.49
C Jordinson	266,667	0.33	1,883,334	2.23
G Nakazibwe-Sekandi	6,667	0.008	208,667	0.24
Total	520,557	0.64	3,349,223	3.97

(1) Calculated on a post-consolidation basis, i.e. on the assumption that Resolution 4 is passed and the Company's share capital is consolidated accordingly

(2) "Total Shares on Issue" is 2,424,195,686 Shares as at the date of this Notice of Meeting. The calculation is based on the assumptions however that (a) Resolution 4 is passed and the number of shares on issue will be 80,806,523 following the 1 for 30 share consolidation; and (b) that none of the Company's options on issue as at the date of this Notice of Meeting are exercised.

As at the date of this Notice of Meeting none of the Recipients has an interest in options over shares in the Company.

(e) Other information that is reasonably required by Shareholders to make a decision and that is known to the Company or any of its Directors

There is no other information known to the Company or any of its directors save and except as follows:

(i) Current Remuneration

Non-Executive Chairman Ian Ross receives annual director's fees of \$52,000 as well as Superannuation Guarantee payments of 9% of that amount. Non-Executive Director Gida Nakazibwe-Sekandi receives annual director's fees of \$40,000. Managing Director Chris Jordinson and Director and Company

Secretary John Lemon do not receive director's fees. As Managing Director, Mr Jordinson receives an annual salary of \$250,000 as well as Superannuation Guarantee payments of 9% of annual salary. Mr Lemon provides company secretarial services on a contract basis to the Company at the rate of \$165 per hour.

Details of remuneration paid to Messrs Ross, Lemon and Jordinson and Ms Nakazibwe-Sekandi in the year ended 30 June 2011 are as follows:

	Short-term		Post-employment		Share-Based Payments		Total \$
	Base fees/salary \$	Other ² \$	Superannuation \$	Retirement Benefit \$	Shares \$	Options ³ \$	
2011							
<i>Non-executive Directors</i>							
Ian Ross, <i>Chairman</i>	41,295		3,405				44,700
Gida Nakazibwe-Sekandi	17,493						17,493
Chris Jordinson, <i>Managing Director</i>	265,501		24,786				290,287
<i>Director/Company Secretary</i>							
John Lemon	69,206						69,206

Note:

- (i) Mr. Jordinson was appointed Managing Director in June 2011 having until then served as Temporary Managing Director and being remunerated at the rate of \$800 per day.
- (ii) Ms Nakazibwe-Sekandi was appointed a Director on 21 January 2011.

(ii) **Dilution**

If Shareholders approve the issue of Performance Rights to Messrs Ross, Lemon and Jordinson and Ms Nakazibwe-Sekandi, and all of the Performance Rights subsequently give rise to the issue of Shares to them and/or their nominees, the effect will be to dilute the shareholding of existing Shareholders by approximately 3.33% based on the number of shares on issue as at the date of this Notice (see the capital structure table in Section 10.7(d) (above)). To the extent that upon the issue of Shares under the Plan the dilutionary impact caused by the issue of Shares will be detrimental to the Company, the Company's Directors consider that this is more than offset by the advantages accruing to the Company through the retention of the services of experienced and skilled directors on appropriate incentive terms. The Company's Directors also note that their ability to receive Shares under the Plan would depend upon the achievement of significant milestones which would very likely be associated with an increase in the value of the Company's shares.

(iii) **Valuation of the Performance Rights**

The Company has obtained an independent valuation of the Performance Rights to be issued to Messrs Ross, Lemon and Jordinson and Ms Nakazibwe-Sekandi ("the Recipients") using the Black-Scholes Pricing Model ("Black-Scholes Model"), which is a recognised model for pricing such Performance Rights, as at 12 October 2011. The value of an option calculated by the Black-Scholes Model is a function of a number of variables. The valuation of the options to be issued to the Recipients has been prepared using the following assumptions:

Input	Value
Share Market Price	\$0.01
Exercise Price	\$0.01
Risk Free Rate	3.64%
Dividend	N/A
Volatility*	90%
Maturity	2 years
Discount Rate	10%

Based on the above assumptions and comments the independent accountant determined the value of the Performance Rights to be issued as follows:

- (i) I Ross - \$33,927
- (ii) J Lemon - \$22,556
- (iii) C Jordinson - \$82,650
- (iv) G Nakazibwe-Sekandi - \$11,297

The total value of the Performance Rights to be issued is \$150,430.

The above valuations do not necessarily represent the market values of the Performance Rights or the tax values for taxation purposes to the Performance Rights holder. The future value of the Performance rights may be up or down on the values noted above as it will primarily depend on the future value of a Share, and the time to expiry of the Performance Rights.

(iv) **ASX Best Practice Recommendations**

The Board recognises that the grant of Performance Rights to non-executive directors Messrs Ross and Lemon and Ms Nakazibwe-Sekandi is arguably contrary to Recommendation 8.3 of the ASX Corporate Governance Council Corporate Governance Principles and Recommendations. However, each Director recommends in relation to those of the resolutions proposed in Agenda Items 10 - 13 in which the Director does not have a material personal interest that Shareholders vote in favour of the resolutions for the reasons set out in Section 10.7(c) (above). In addition the Directors note that the issue of equity-linked incentives as part of the remuneration packages of executive and non-executive directors is an established practice of junior public listed companies and provides those companies with a means of conserving cash whilst properly incentivizing and rewarding directors. It should be also noted that due to the size of the Company, the non-executive Directors play a far more hands on role in the day to day operations of the Company than what is normally expected of non-executive directors. With this in mind the Plan is specifically designed to incentivise and remunerate non-executive Directors as well as executives.

(v) **Taxation Consequences**

The Performance Rights will vest subject to relevant vesting criteria being met. Under Australian tax law, the taxable value of performance rights granted in relation to employment is assessable to the employee unless a deferral applies. The Directors believe that the taxation of the Rights will be deferred as they have real risk of forfeiture. The granting of the Rights or any Shares upon exercise of Rights does not have a tax impact to the Company.

(v) **Market Price of the Company's Shares on the ASX**

The highest, lowest and last trading prices of the Company's shares on ASX during the last 12 months are set out below:

	Date	Price(\$)
Highest	19/01/11	0.019
Lowest	05/11/10	0.004
Last	26/10/11	0.009

10.8 The Company's directors (excepting each individual Director in the case of the Resolution proposing the issue of Performance Rights to him or her) recommend that Shareholders vote in favour of Resolutions 8 - 11.

11. AGENDA ITEM 14 (RESOLUTION 12) – REMUNERATION REPORT

11.1 The Remuneration Report is contained in the Company's 2011 Annual Report commencing on page 10. The Remuneration Report's contents include:

- (i) an explanation of the Board's policy for remuneration of the Company's directors and management; and
- (ii) details of remuneration paid to the Company's directors and executives.

- 11.2 Under the *Corporations Act 2001* (Cwth) a resolution that the Remuneration Report be adopted must be put to a vote of shareholders at the Company's Annual General Meeting.
- 11.3 The Chairman will give shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.
- 11.4 The vote on the resolution is advisory only and does not bind the Company or the Company's directors. However the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.
- 11.5 Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 12 are voted against adoption of the Remuneration Report, and then again at the Company's 2012 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution the Company must convene the general meeting (**spill meeting**) within 90 days of the Company's 2012 annual general meeting. All of the Directors who were in office when the Company's 2012 Directors' Report was approved, other than the Company's Managing Director, will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting those persons whose election or re-election as Directors is approved will be the directors of the Company.

11.6 Voting Exclusion Statement

Section 250R(4) Corporations Act provides that a vote must not be cast (in any capacity) on Resolution 12 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report or a Closely Related Party of such a person. However section 250R(5) Corporations Act provides that a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report or a Closely Related Party of such a person may cast a vote on Resolution 12 if:

- the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- the vote is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report or a Closely Related Party of such a person.

In accordance with section 250R(8) Corporations Act a vote cast in contravention of section 250R(4) Corporations Act will not be counted.

- 11.7 The Company's directors recommend that Shareholders vote in favour of Resolution 12.

12. VOTING RIGHTS

The Board has determined that all of the shares of the Company will be taken, for the purposes of determining the right of shareholders to attend and vote at the Meeting, to be held by the persons who are registered in the Company's register of shareholders at 7.00 pm (AEDST) on 27 November 2011 as the owners of those shares. Therefore transfers registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Meeting.

13. PROXIES

13.1 Important note regarding appointing a proxy:

The laws that apply to voting on resolutions relating to the remuneration of Key Management Personnel have changed. Certain categories of persons (including directors and the chair of the Meeting) are now prohibited from voting on such resolutions including as proxy in some circumstances. If you are appointing a proxy, to ensure that your vote counts please read the instructions on your Proxy Form carefully.

- 13.2 A Shareholder entitled to attend and vote at the Meeting may appoint:
- (i) one proxy if the Shareholder is only entitled to one vote at the meeting; or
 - (ii) one or two proxies if the Shareholder is entitled to more than one vote at the meeting, to attend and vote at the meeting for the Shareholder.
- 13.3 A Shareholder may appoint an individual person or a body corporate as the Shareholder's proxy.
- 13.4 A body corporate appointed as a shareholder's proxy may appoint a representative to exercise any of the powers the body corporate may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been provided to the Company.
- 13.5 A Shareholder who appoints two proxies may state on the Proxy Form what proportion or number of the Shareholder's votes the proxy may exercise. If a Shareholder appoints two proxies and does not specify the number or proportion of votes each proxy may exercise, each of the proxies may exercise half of the Shareholder's votes.
- 13.6 A proxy need not be a shareholder of the Company.
- 13.7 A Proxy Form is enclosed. If you wish to appoint a proxy or proxies you must complete the Proxy Form and deliver it to the Company, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy), **by no later than 9.00 am (AEDST) on Monday, 28 November 2011:**
- (i) by **post**:
Union Resources Limited
GPO Box 1494
Sydney, NSW, Australia 2001; or
 - (ii) by **delivery**:
Union Resources Limited
Suite 201, Level 2
Watson House
300 George Street
Sydney, NSW; or
 - (iii) by **facsimile**:
+61 2 9233 4749

14. CORPORATE REPRESENTATIVE

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

15. OTHER INFORMATION

Queries in relation to the lodgement of proxies or other matters concerning the Annual General Meeting may be directed to the Company Secretary (Telephone: (07) 3832 1329).

16. INTERPRETATION

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

"ASX" means the Australian Securities Exchange.

"Auditor" means the Company's auditor.

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

“Closely Related Party” of a member of the Key Management Personnel of the Group has the meaning ascribed to it in the Corporations Act. (The expression includes, for example, certain of Key Management Personnel’s family members, dependents and companies they control).

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

"Directors" means the Directors of the Company.

"Group" means the Union Resources Limited Group of companies comprising the consolidated entity referred to in the Company’s 2011 Annual Report.

"Key Management Personnel" means those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

"Meeting" means the Annual General Meeting of Shareholders convened for 29 November 2011 and any adjournment thereof.

"Notice of Meeting" means this notice of meeting.

"Performance Right" means a right to acquire a Share on the terms in the Union Resources Limited Performance Rights Plan.

"Section" means a section of this Explanatory Memorandum.

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

"Shareholder" means a shareholder of the Company.



Twynam Agricultural Group Pty Limited
ACN 000 573 213 / ABN 12 000 573 213

12 October 2011

The Company Secretary
Union Resources Limited
Suite 201 Watson House
Level 2, 300 George Street
Sydney, NSW

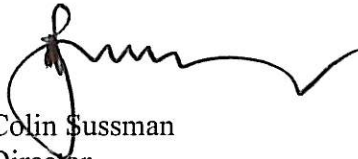
Dear Sir

Nomination of Auditor

Twynam Agricultural Group Pty Ltd, being a member of Union Resources Limited, nominates Lawler Partners of Level 9, 1 O'Connell Street, Sydney, New South Wales for appointment as auditor of Union Resources Limited at its Annual General Meeting to be held in November 2011.

Twynam Agricultural Group Pty Ltd consents to the distribution of a copy of this nomination as an annexure to the Notice of Annual General Meeting.

Yours Faithfully
TWYNAM AGRICULTURAL GROUP PTY LTD



Colin Sussman
Director

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

Suite 201, Level 2, Watson House
300 George Street, Sydney, NSW, Australia 4000
(GPO Box 1494, Sydney, NSW 2001)

Telephone: (02) 9233 4750
Fax: (02) 9233 4749

PROXY FORM

I/We _____

of _____

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

_____ shares in the Company hereby appoint _____

of _____

or failing him/her _____

of _____

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held in Raffles Room I, Entrance via Terrace On Kent, 167 - 187 Kent Street, Millers Point, Sydney, New South Wales, Australia on Tuesday, 29 November 2011 at 11.00 am (New South Wales time) and at any adjournment thereof in respect of _____ of my/our shares or, failing any number being specified, **ALL** of my/our shares in the Company.

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

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

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

Subject to the comments below the chairman of the meeting (Chairman of Directors, Ian Ross) intends to vote undirected proxies in favour of all proposed resolutions.

If the chairman of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of Resolution 7 ("Performance Rights Plan – Issue Approval") and Resolutions 8, 9, 10 and 11 (issue of Performance Rights to Directors I Ross, J Lemon, C Jordinson and G Nakazibwe-Sekandi respectively) please place a mark in the box to the right.

By marking this box, you acknowledge that the chairman of the meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 7 - 11 and that votes cast by the chairman of the meeting for Resolutions 7 - 11 other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the chairman will not cast your votes on Resolutions 7 - 11 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 7 - 11.

[Continued on reverse side]

Please Note: The chairman of the meeting is a member of the Company's "key management personnel" as defined in the notice of the meeting. Accordingly, if you appoint the chairman of the meeting as your proxy the chairman of the meeting may only exercise your proxy on Resolutions 8 - 12 if you either (i) mark the box to the right, or (ii) specifically direct him how to vote on Resolutions 8 - 12 by marking one of the boxes next to Resolutions 8 - 12 below. If you mark the box to the right (i) the chairman of the meeting will vote your proxy **in favour** of Resolutions 8 - 12, and (ii) you authorise the chairman of the meeting to do so notwithstanding that Resolutions 8 - 12 are connected with the remuneration of a member or members of the Company's key management personnel. If you appoint the chairman of the meeting as your proxy but do not mark the box to the right or do not mark a box next to Resolutions 8 - 12 below the chairman of the meeting will **not** cast your votes on Resolutions 8 - 12.

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

RESOLUTION	FOR	AGAINST	ABSTAIN
1. Election of Director - G Nakazibwe-Sekandi (Agenda item 3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Director – S Gemell (Agenda item 4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-Election of Director – J Lemon (Agenda item 5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Consolidation of share capital (Agenda item 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Change of name (Agenda item 7)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Appointment of Auditor (Agenda item 8)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Performance Rights Plan – issue approval (Agenda item 9)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Issue of Performance Rights to Director I Ross (Agenda item 10)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Issue of Performance Rights to Director J Lemon (Agenda item 11)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Issue of Performance Rights to Director C Jordinson (Agenda item 12)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Issue of Performance Rights to Director G Nakazibwe-Sekandi (Agenda item 13)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Adopt Remuneration Report (Agenda item 14)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

As witness my/our hand/s this _____ day of _____ 2011

If a natural person:

SIGNED by _____)
 _____)

 in the presence of:

 Witness

 Name (Printed)

[Continued on next page]

If a company:

EXECUTED by)
)
in accordance with its)
Constitution)

Director

Director/Secretary

Name (Printed)

Name (Printed)

If by power of attorney:

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

Signature of Attorney

Signature of Witness

[N.B. After completing this Proxy Form please deliver it to the Company's office in accordance with Section 13.7 of the Explanatory Memorandum in the accompanying Notice of Annual General Meeting]