

# Victory West Metals Limited

ABN 66 009 144 503

## Notice of Annual General Meeting and Explanatory Statement

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Annual General Meeting to be held at:

Time: 2.00 pm (AWST)

Date: Wednesday, 30 November 2011

Place: Subiaco Arts Centre  
180 Hamersley Road  
SUBIACO WA 6008

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**This is an important document and should be read in its entirety. Please read it carefully.**

A Proxy Form is enclosed within this Notice of Annual General Meeting and Explanatory Statement

If you are unable to attend the Annual General Meeting, please complete the proxy form enclosed and return it in accordance with the instructions set out on that form. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor and/or other professional adviser without delay.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that the Annual General Meeting of shareholders of Victory West Metals Limited (“**Company**” or “**VWM**”) will be held at the Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western Australia on Wednesday, 30 November 2011 commencing at 2.00 pm (AWST).

The Explanatory Statement to this Notice provides additional information on matters to be considered at the Meeting.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

### ***South East Asia Energy Resources Pte Ltd Acquisition.***

On 9 September 2011, the Company announced that it had signed a Heads of Agreement to acquire 100% of South East Asia Energy Resources Pte Ltd (SEAE), a special purpose company registered in Singapore that has the rights to an 85% interest in the BEK coal project in East Kalimantan, Indonesia. In addition the SEAE group brings a pipeline of 9 coking and thermal Coal concessions in East Kalimantan and initial off take agreements for 200,000 tonnes per month with major global parties.

The abovementioned agreement is subject to due diligence, shareholder approval and regulatory approvals if required. These matters are still ongoing and as such, this matter is not proposed to be considered at the Meeting. Once completed and subject to favorable outcomes, the Company will convene a general meeting of shareholders to consider this matter.

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## AGENDA

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### ORDINARY BUSINESS

#### **Financial Statements and Reports**

To receive and consider the annual financial report of the Company, together with the Director’s and Auditor’s reports for the financial year ended 30 June 2011, as set out in the Annual Report.

#### **1. RESOLUTION 1 – Non-binding Resolution to adopt Remuneration Report**

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

*“That, for all purposes, the Remuneration Report as set out in the Annual Report for the year ended 30 June 2011 be adopted.”*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Statement for further details on the consequences of voting on this Resolution.

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel (KMP) and their Closely Related Party. However, the Company need not disregard a vote if it is cast by a person or a member of the Key Management Personnel as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form.

**Shareholders should note that if they wish to appoint the Chairman as their proxy, they must specify how they wish to Chairman to vote in relation to this resolution otherwise, the Chairman is prohibited for exercising your vote and your vote will not be counted in relation to this resolution.**

## 2. RESOLUTION 2 –Re-election of Mr. Steven Pynt as a Director

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

*“That, for all purposes, Mr Steven Pynt who retires in accordance with clause 12.2 of the Constitution and being eligible for re-election, be re-elected as a Director.”*

## 3. RESOLUTION 3 – Ratification of prior issue of Shares

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, the Company ratify the allotment and issue of seven million four hundred and eighty three thousand and three hundred and thirty four (7,483,334) Ordinary Shares on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 3 by any person who participated in the issue of securities and an associate of that person. However the Company need not disregard a vote if:

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

## 4. RESOLUTION 4 – Ratification of prior issue of Options

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, the Company ratify the allotment and issue of seven million four hundred and eighty three thousand and three hundred and thirty four (7,483,334) Listed Options on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 4 by any person who participated in the issue of securities and an associate of that person. However the Company need not disregard a vote if:

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

## Other Business

To consider and deal with any other business that may be brought before the Meeting in accordance with the Constitution and the Corporations Act.

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## Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice and should be read in conjunction with it. Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice and the Explanatory Statement

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## Voting Entitlements

Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) permits the Company to specify a time, not more than 48 hours before the Meeting, at which a “snap shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Directors have determined, pursuant to Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), that the persons eligible to vote at the Annual General Meeting are those who are Shareholders as at 2.00pm (AWST) on Monday 28 November 2011.

**By Order of the Board of Directors**



**Steven Pynt**  
Chairman  
Victory West Metals Limited  
28 October 2011

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Annual General Meeting to be held at the Subiaco Arts Centre on Wednesday, 30 November 2011 at 2.00pm (AWST).

The purpose of this Explanatory Statement is to provide Shareholders with sufficient information to assess the merits of the Resolutions in the accompanying Notice.

This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms and abbreviations in this Explanatory Statement are defined in the Glossary.

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### **Financial Statements and Reports**

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2011 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report can be found on its website at [www.victorywest.com.au/financialstatements](http://www.victorywest.com.au/financialstatements) or on the ASX website in the Company's information page.

No resolution is required to be moved in respect of this item. Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Company's auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

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#### **1. Resolution 1 – Adoption of Remuneration Report**

The Corporations Act requires that at a listed company's Annual General Meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, this resolution is advisory only and does not bind the Directors of the Company

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast are against adoption of the Remuneration Report at the Meeting, and then again at the Company's next annual general meeting, the Company will be required to put a resolution to its next annual general meeting, to approve calling an extraordinary general meeting (**spill resolution**).

If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (**spill meeting**) within 90 days of the Company's next annual general meeting. All of the Directors who were in office when the 2012 Directors' Report was approved, other than the Managing Director, will need to 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.

Shareholders will be provided with a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report at the Meeting.

### **Voting Restrictions (Important Information on Voting)**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice. If you elect to appoint the Chair, or another member of Key Management Personnel (KMP) or any KMP Closely Related Party as your proxy to vote on this Resolution 1, you must direct the proxy how they are to vote. When you do not direct the Chair another member of Key Management Personnel (KMP) or any KMP Closely Related Party on how to vote on this Resolution 1, the proxy is prevented from exercising your vote and your vote will not be counted in relation to this Resolution 1.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

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## **2. Resolution 2 – Re-election of Mr. Steven Pynt**

Pursuant to clause 12.2 of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-election or who have been longest in office since their appointment or last re-election or, if the Directors have been in office for an equal length of time, by agreement.

These requirements for a Director to retire do not apply to a Managing Director

In accordance with the above, Mr Steven Pynt, being Chairman and a Director, retires by rotation at the Meeting and, being eligible, offers himself for re-election as a Director.

After completing his law degree in 1980, Mr. Pynt worked with a law firm for two and a half years before joining a major accounting firm where he worked as a tax consultant. Subsequently, he established his own legal firm that later merged with a medium size Perth firm. Mr. Pynt is the Chief Executive Officer of Muzz Buzz Franchising Pty Ltd.

Currently Mr. Pynt is a non-executive chairman of Richfield International Limited for the last 5.5 years, a director of Gondwana Resources Ltd since the year 2000 and director of Global Health Ltd (formerly Working Systems Solutions Ltd) since the year 2000 and chairman for the past 5 years. All of these companies are listed on the ASX.

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### **3. Resolutions 3 & 4 – Approval of prior issue of Shares & Options**

#### **3.1 General**

Resolutions 3 and 4 are seeking ratification under Listing Rule 7.4 for the prior issue of 7,483,334 Shares and 7,483,334 Options, respectively, in order to provide the Company with the flexibility to issue equity securities in the future up to the 15% threshold during a 12 month period under Listing Rule 7.1 without the requirement to obtain Shareholder approval.

During November 2010, the Company completed arrangements for the fundraising of \$1.58 million through the issue of unsecured Convertible Loans. Under the terms of the offer, the convertible loan holders had the right to convert the loan into ordinary shares in the Company at the lower of \$0.12 or the value of the company's most recent capital raising. The loan holders also received one free listed option for every one share converted. Each listed option has an exercise price of \$0.20 and an expiry date of 24 February 2012. The loans bore interest at 10% per annum.

During the period of November 2010 to February 2011, \$898,000 of convertible loans was converted and as such, the Company issued 7,483,334 shares and 7,483,334 options to these holders.

The shares and options issued represent, in total and on a fully diluted basis, approximately 5.2% of the Company's current capital structure as at the date of this Notice.

#### **3.2 Ratification under Listing Rule 7.4**

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval.

Listing Rule 7.1 broadly provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the company's securities then on issue. Listing Rule 7.4 permits ratification of securities issued without prior shareholder approval under Listing Rule 7.1, provided the issue did not exceed the 15% threshold.

Accordingly, the Company is seeking ratification by Shareholders for the past issue of 7,483,334 Shares (Resolution 3) and 7,483,334 Option (Resolution 4) in order to restore the Company's capacity to issue further securities in the next 12 months under Chapter 7 of the Listing Rule within the 15% limit.

Notwithstanding an approval by shareholders of the proposed resolutions relating to the two items of business, any future equity raisings would remain subject to the 15% limit set out Listing Rule 7.1 (unless an exception under Listing Rule 7.2 applies).

### **3.3 Information required for Listing Rule 7.4**

Listing Rule 7.5 requires that the following information be provided to Shareholders when seeking ratification pursuant to Listing Rule 7.4:

(a) **Maximum Number of Securities**

The number of securities issued was 7,483,334 Ordinary Shares (Resolution 3) and 7,483,334 Listed Options (Resolution 4).

(b) **The Price at which the Securities were Issued**

Under the terms of the offer, the convertible loan holders were issued with shares at \$0.12 (Resolution 3). The convertible loan holders also received one free listed option for every one share converted (Resolution 4).

(c) **The Names of the Allottees and the Dates of Allotment**

The Shares and Options were allotted upon receipt of conversion requests from the holders which took place during the period 10 November 2010 to 15 February 2011 and were issued without disclosure pursuant to an exception to an excluded investor under Section 708 of the Corporations Act. The allottees were not related parties and neither allottee held more than 20% of the Company's shares after the issue.

(d) **The Terms of the Securities**

The Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's currently issued Shares. The Company has sought quotation of the Shares on ASX (Resolution 3). Schedule A sets out the key terms and conditions of the convertible loans.

Each Listed Option has an exercise price of \$0.20 and an expiry date of 24 February 2012. The Company has sought quotation of the Options on ASX (Resolution 4). Schedule B sets out the key terms and conditions of the options.

(e) **Use of the Funds Raised**

The Shares and Options were issued in consideration for the conversion of convertible loans. Under the terms of the offer, the convertible loan holders had the right to convert the loan into ordinary shares in the Company at the lower of \$0.12 or the value of the company's most recent capital raising. The loan holders also received one free listed option for every one share converted.

The funds raised by the issue of shares and options upon the conversion of the convertible loans went towards the working capital of the Company.



### **3.4 Recommendation**

The Directors considers that the approval of the issue of the Shares and Options (as described above) is beneficial for the Company as it provides it with the flexibility to issue up to a greater number of shares than it is currently able to do so under ASX Listing Rule 7.1 in the next 12 months (without further shareholder approval), should it be required. The approval of Resolution 3 is not conditional on the passing on Resolution 4 (and vice versa), but if both Resolutions 3 and 4 are approved, the Company will be able to issue the maximum number of shares permitted by under Listing Rule 7.1 in the next 12 months (without further shareholder approval), if required. Accordingly, the directors recommend that Shareholders vote in favour of Resolution 3 and Resolution 4.

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### **4. Enquiries**

Shareholders are encouraged to contact the Company Secretary on (+61 8) 9381 5819 if they have any queries in respect to the matters set out in the Notice and Explanatory Statement.

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## **Voting, Proxy Appointment and Meeting Instructions**

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### **HOW TO VOTE**

Shareholders can vote by either:

- (a) attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- (b) appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile.

### **VOTING IN PERSON (OR BY ATTORNEY)**

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

### **PROXY FORM**

To be effective, the Proxy Form (and any power of attorney or other authority, if any, under which it is signed) or a copy of facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be validly completed and returned by

- (a) **Person:** Computershare Investor Services Pty Ltd, Level 2, 45 St George's Terrace, PERTH WA 6000;
- (b) **Post:** Computershare Investor Services Pty Ltd, GPO Box 242, MELBOURNE VIC 3001; or
- (c) **Facsimile:** 1800 783 447 (within Australia) or (+61 3) 9473 2555 (outside Australia);

so that it is received not later than 2.00pm (AWST) on Monday 28 November 2011.

**Proxy Forms received later than this time will be invalid.**

### **VOTING BY PROXY**

Please note that a Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies. The proxy may, but need not be, a member of the Company and may be an individual person or a body corporate. A body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy. Each proxy will have the right to vote on a poll and also to speak at the Meeting.

The appointment of a proxy may specify the proportion or the number of votes that the proxy is appointed to exercise, but where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes that each proxy may exercise, each proxy may exercise half of the votes.

If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolution 1, if the proxy is specifically instructed to do so. Accordingly, if you intend to appoint the Chairman or a member of the KMP as your proxy, please ensure that you direct them how to vote in relation to Resolution 1.

Should any resolution, other than those specified in the Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their Proxy Form with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the Resolutions proposed in the Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions.

## **VOTING BY A CORPORATION**

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. Any such appointment must comply with the execution and appointment requirements set out on the Proxy Form and otherwise with the provisions of sections 127 and 250D of the Corporations Act or with the legal requirements of the country in which that corporate Shareholder was incorporated. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed. Shareholders can download and fill out the 'Appointment of Corporate Representation' form from Computershare's website at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

## **VOTING ENTITLEMENTS**

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of Shareholders as at 2.00 pm (AWST) on Monday, 28 November 2011. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Meeting.

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## GLOSSARY

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

<b>Accounting Standards</b>	has the meaning given to that term in the Corporations Act.
<b>Annexure</b>	an annexure to the Explanatory Statement.
<b>Annual General Meeting or Meeting</b>	the Annual General Meeting of Shareholders convened for the purposes of considering the Resolutions.
<b>Annual Report</b>	the annual report of the Company for the year ended 30 June 2011.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>AWST</b>	Australian Western Standard Time.
<b>Board</b>	Board of Directors.
<b>Chairman</b>	Mr. Steven Pynt.
<b>Closely Related Party</b>	has the meaning given to that term in the Corporations Act.
<b>Company</b>	Victory West Metals Limited (ACN 009 144 503).
<b>Constitution</b>	Constitution of the Company.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Director</b>	a Director of the Company.
<b>Explanatory Statement</b>	the Explanatory Statement accompanying the Notice of Annual General Meeting.
<b>Key Management Personnel (KMP)</b>	has the meaning given to that term in the Accounting Standards.
<b>Listing Rules</b>	the Listing Rules of the ASX.
<b>Notice</b>	the notice of Annual General Meeting accompanying the Explanatory Statement.
<b>Option</b>	an option to acquire a Share.
<b>Resolution</b>	a resolution to be considered at the Annual General Meeting as contained in the Notice.
<b>Restricted Voter</b>	means Key Management Personnel and their Closely Related Parties.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	a registered holder of a Share.

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## **Schedule A**

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### **Key Terms of the convertible loans**

#### **Conversion Rights**

The loan, or part thereof, can be converted by the Lender at its discretion at any time prior to the repayment date (which was initially 31 December 2010 but later extended by agreement to 30 September 2011) (the "repayment date"), subject to

- (a) if necessary, the Company obtaining shareholder approval pursuant to Chapter 7 of the Listing Rules; and
- (b) the Lender providing the necessary notification, declaration and accountant's certificate.

#### **Issue of Shares and Options and conversion prices**

The convertible loan holders had the right to convert the loan into ordinary shares in the Company at the lower of \$0.12 or the value of the company's most recent capital raising before the repayment date.

The loan holders also received one free listed option for every one share converted. Each listed option has an exercise price of \$0.20 and an expiry date of 24 February 2012. The full terms of the options are to be the same as the Borrowers current listed options (VWMOA).

#### **Security**

The loan was unsecured and it was acknowledged that the lenders had no rights to participate in the management of the Company.

#### **Interest**

The loans bore interest at 10% per annum and will be paid at the repayment date. Should the lender elect to convert the full amount of the loan then the interest is not payable. In the case of those loans which were extended beyond March 2011 by agreement, the company is required to pay interest.

#### **Assignment**

The lender or the company shall not assign or transfer their rights under the agreement without first obtaining the written consent of the other party.

#### **Lenders Representations and Warrantees**

The lender gave the following representations and warrantees set out below:

- (a) acknowledge that no disclosure document has been prepared or lodged with ASIC in connection with this Loan Agreement, offer or the option to convert;
- (b) acknowledge that the Borrower is not required to provide the Lender (s) with a prospectus or other disclosure document for the loan or grant of Shares and Options;
- (c) acknowledge that it has conducted its own investigations and made and relied upon its own assessment of the Company and the agreement or offer including, without limitation, the particular tax consequences of purchasing, owning or disposing of the Ordinary Shares and or Options in light of its particular situation as well as any consequences arising under the laws of any other taxing jurisdiction;
- (d) nothing in the agreement constitutes a securities recommendation;
- (e) warrant and represent that they have investigated and confirm that this agreement does not breach their local regulatory requirements and they indemnify the company for all costs, losses, damages etc related to any breach;

- (f) an investment in the Company involves a degree of risk and that the ordinary shares and options, are therefore, a speculative investment;
- (g) except for any liability which cannot by law be excluded, the lender acknowledge that none of the Company, any of their directors, officers, employees or advisers, accept any responsibility in relation to the Loan Agreement, offer and your application for the loan, offer and/or the accuracy or completeness of any information given to it or any liability for any expenses, losses, damages or costs that may be incurred by it as a result of that information being inaccurate or incomplete in any way for any reason;
- (h) agree to be bound by the constitution of the Company; and
- (i) represents and warrants that it is a sophisticated or professional investor for the purpose of section 708 of the Corporations Act or are otherwise within an exception in section 708 or have subscribed pursuant to a personal offer made by the Company;
- (j) will produce such evidence as the Company may request to demonstrate that it is a sophisticated or professional investor or otherwise within a section 708 exemption;
- (k) you have extensive and sufficient experience in investing in securities and loan such as the agreement and this experience is sufficient for it to assess:
  - the merits of the products and services;
  - the value of the products and services;
  - the risks involved and associated with holding an interest in or using the product or service;
  - the adequacy of the information given to you it the company; and
  - its own information needs.

In deciding whether to lend funds and or invest in the Borrower.

The Lender indemnifies and holds the Borrower harmless against all losses, claims, costs, demands, liabilities and expenses which may be suffered, sustained or incurred by the Borrower directly or indirectly as a result of or in respect of a breach by the Lender of any of the covenants, warranties, representations or undertakings referred to in this Agreement.

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## Schedule B

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### Key Terms and Conditions of Listed Options

- (a) The exercise price of each Option is 20 cents per share ("the Exercise Price").
- (b) Each Option will automatically lapse if not exercised on or before 24 February 2012 (the "maturity date").
- (c) Each Option shall entitle the holder to subscribe for and to be allotted one share in the capital of the Company upon exercise of the Option and payment to the Company of the Exercise Price.
- (d) An Option may be exercised by the option holder at any time prior to the expiry date by sending a completed and signed notice of exercise, together with the payment of the exercise price and the statement for the Option, to the Company's share registry. If the option holder holds more than one Option, the Options may be exercised in whole or in part.
- (e) A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.
- (f) Subject to any restrictions in the Listing Rules, within 14 days of receipt of a properly executed notice of exercise and the required application monies the number of shares specified in the notice will be allotted.
- (g) Each statement will bear a suitable form of notice of exercise of the Options, endorsed on the back of the statement, for completion by the option holder (if required). If the Options comprised in any such statement are exercised in part only, before the expiry date, the Company will issue the option holder with a fresh statement for the balance of the Options held and not yet exercised.
- (h) The period during which the Options may be exercised cannot be extended.
- (i) The option holder is not entitled to participate in new issues of securities offered to shareholders. The option holder can participate in new issues of securities offered to shareholders if the Option is exercised before the relevant record date for that new issue.
- (j) If from time to time before the expiry of the Options the Company makes an issue of shares to the holders of ordinary shares by way of capitalisation of profits or reserves (a "bonus issue") other than in lieu of a dividend payment, then upon exercise of an Option the option holder will be entitled to have issued to it (in addition to the shares which it is otherwise entitled to have issued to it upon such exercise) additional shares in the Company. The number of additional shares is the number of shares which would have been issued to it under that bonus issue ("bonus shares") if on the date on which entitlements were calculated it had been registered as the holder of the number of shares which it would have been registered as holder if immediately before that date it had exercised its Options. The bonus shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank *pari passu* in all respects with the other shares allotted upon exercise of the Options.
- (k) In the event of any reconstruction (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any Options, all rights of the option holder will be reconstructed (as appropriate) in accordance with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation.
- (l) Shares allotted pursuant to the exercise of the Options will rank equally with the then issued shares of the Company.
- (m) the Company undertakes to apply for official quotation by ASX of all shares allotted pursuant to the exercise of any Options, within 10 business days of the date of allotment of those new shares.
- (n) the Company undertakes to apply for official quotation by ASX of these options.
- (o) Other than as referred to above, an Option does not confer the right to a change in Exercise Price, or a change to the number of underlying securities over which it can be exercised.

# Victory West Metals Limited

ABN 66 009 144 503

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
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000001 000 VWM  
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 2.00pm (AWST) Monday 28 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.victorywest.com.au](http://www.victorywest.com.au)

View your securityholder information, 24 hours a day, 7 days a week:

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

Your secure access information is: SRN/HIN: 1999999999



**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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IND

# 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 Victory West Metals 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 Victory West Metals Limited to be held at Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western Australia on Wednesday, 30 November 2011 at 2.00pm (AWST) and at any adjournment of that meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business other than in respect of Item 1, where the company has determined that the Chairman is unable to do so.

**Important for Item 1:** If the Chairman of the Meeting or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or a Closely Related Party of that member is your proxy and you have not directed the proxy to vote on Item 1, the proxy will be prevented from casting your votes on Item 1. If the Chairman of the Meeting, another member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report of Closely Related Party of that member is your proxy, in order for your votes to be counted on Item 1, you must direct your proxy how to vote on Item 1.

## 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 Non-binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Re-election of Mr Steven Pynt as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Ratification of Prior Issue of Options	<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.*

<b>Individual or Securityholder 1</b> <input style="width: 90%; height: 25px;" type="text"/>	<b>Securityholder 2</b> <input style="width: 90%; height: 25px;" type="text"/>	<b>Securityholder 3</b> <input style="width: 90%; height: 25px;" type="text"/>
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Sole Director and Sole Company Secretary	Director	Director/Company Secretary
Contact Name _____	Contact Daytime Telephone _____	Date / / _____