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**STONEHENGE METALS LTD**

**ACN 119 267 391**

**NOTICE OF GENERAL MEETING**

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**TIME:** 10:00am WST

**DATE:** Monday, 18 March 2013

**PLACE:** Level 8, 225 St Georges Terrace, Perth, Western Australia.

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

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9481 2277.***

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## **IMPORTANT INFORMATION**

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### **TIME AND PLACE OF MEETING**

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Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am WST on Monday, 18 March 2013 at:

Level 8, 225 St Georges Terrace, Perth, Western Australia.

### **YOUR VOTE IS IMPORTANT**

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

### **VOTING ELIGIBILITY**

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am WST on Saturday, 16 March 2013.

### **VOTING IN PERSON**

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

### **VOTING BY PROXY**

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

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies

should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

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

Further details on these changes is set out below.

### ***Proxy vote if appointment specifies way to vote***

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

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

### ***Transfer of non-chair proxy to chair in certain circumstances***

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

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

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

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – ADOPTION OF DIRECTOR SHARE PLAN

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Director Share Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”*

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

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#### 2. RESOLUTION 2 – ISSUE OF SHARES TO A DIRECTOR UNDER DIRECTOR SHARE PLAN – MR RICHARD HENNING

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

*“That, subject to the passing of Resolution 1, for the purpose of section 195(4) and 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to allot and issue Mr Richard Henning (or his nominee) up to that number of Shares to the equivalent of \$75,000 under the Director Share Plan, on the terms and conditions set out in the Explanatory Statement.”*

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

**Voting Prohibition Statement:**

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

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

However, the above prohibition does not apply if:

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

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**3. RESOLUTION 3 – ISSUE OF SHARES TO A DIRECTOR UNDER DIRECTOR SHARE PLAN – MR YOUNG YU**

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

*“That, subject to the passing of Resolution 1, for the purpose of section 195(4) and 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to allot and issue Mr Young Yu (or his nominee) up to that number of Shares to the equivalent of \$75,000 under the Director Share Plan, on the terms and conditions set out in the Explanatory Statement.”*

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

**Voting Prohibition Statement:**

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

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

However, the above prohibition does not apply if:

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

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**DATED: 12 FEBRUARY 2013**

**BY ORDER OF THE BOARD**

**MR MATTHEW FOY  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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

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### 1. RESOLUTION 1 – APPROVAL OF DIRECTOR SHARE PLAN

Resolution 1 seeks Shareholders approval for the adoption of the employee incentive scheme titled Director Share Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

**The purpose of the plan is to permit the Directors to be issued shares in lieu of fees to enable the Company to implement cost saving measures and provide flexibility with respect of the future capital requirements of the Company.**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 1 is passed, the Company will be able to issue Shares under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Shares have previously been issued under the Plan.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Plan and the future issue of Shares under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Shares under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolutions 2 and 3 for the issue of Shares to certain Directors pursuant to the Plan.

A summary of the key terms and conditions of the Plan is set out in Schedule 1. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary (+61 8 9481 2277). Shareholders are invited to contact the Company if they have any queries or concerns.

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### 2. RESOLUTIONS 2 AND 3 – ISSUE OF SHARES TO DIRECTORS UNDER DIRECTOR SHARE PLAN – MESSRS RICHARD HENNING AND YOUNG YU

Subject to the passing of Resolution 1, the Company seeks Shareholder approval for the issue of Shares in accordance with the Plan to Mr Richard Henning, the

Company's Chairman and Managing Director, and Mr Young Yu, the Company's Executive Director and CEO (Korea) (**Related Parties**).

## **2.1 Chapter 2E and ASX Listing Rule 10.14**

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The issue of Shares pursuant to the Plan constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Furthermore, the proposed issue of Shares to the Related Parties requires the Company to obtain Shareholder approval pursuant to ASX Listing Rule 10.14 because it will result in the Company issuing securities to a related party of the Company under an employee incentive scheme. Accordingly, Shareholder approval is sought under both Chapter 2E of the Corporations Act and under ASX Listing Rule 10.14 (in accordance with the provisions of Listing Rule 10.15A).

## **2.2 Technical information required by Chapter 2E and ASX Listing Rule 10.15A**

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15A, the following information is provided in relation to the proposed issue of Shares to the Related Parties:

- (a) the Related Parties are Mr Richard Henning and Mr Young Yu and they are related parties by virtue of being Directors;
- (b) the maximum number of Shares to be issued to each of the Related Parties (or their nominees) is to the equivalent of \$75,000 of fees each and will be based on the 20 day volume weighted average price of the Company's shares traded on the ASX prior the date of issue. However, the maximum number of Shares to be issued to each of the Related Parties (or their nominees) must not in any case exceed 7,500,000 Shares (each);
- (c) no Shares have yet been issued under the Plan;
- (d) details of the Plan are set out in the Schedule 1;

- (e) the Shares will be issued for nil cash consideration and as such no funds will be raised from the issue;
- (f) details of any Shares issued under the Plan will be published in each annual report of the Company relating to the period in which the Shares are issued and the Company will ensure that Shareholder approval has first been obtained under Listing Rule 10.14 (including obtaining separate approval for those additional persons who may become entitled to participate under the Plan after the resolution was approved and who were not named in the notice of meeting);
- (g) all of the Company's directors are entitled to participate under the Plan, however at the current time the Company does not intend to make an offer to Bevan Tarratt. Accordingly, approval is only being sought for Messrs Yu and Henning;
- (h) the Company will not issue these Shares to the Related Parties later than that date which is three (3) years following the Meeting;
- (i) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

<b>Related Party</b>	<b>Shares</b>	<b>Options</b>
Mr Richard Henning	11,354,167	Nil
Mr Young Yu	26,666,667	Nil

- (j) the amounts paid from the Company to the Related Parties and their associates for the previous two financial years are set out below:

<b>Related Party</b>	<b>2011</b>	<b>2012</b>
Mr Richard Henning	330,419 <sup>1</sup>	339,350 <sup>2</sup>
Mr Young Yu	Nil <sup>3</sup>	45,557 <sup>4</sup>

Notes:

1. Comprises \$221,162 in cash, salary and fees; \$19,257 in superannuation and \$90,000 in equity;
  2. Comprises \$275,550 in cash, salary and fees; \$24,800 in superannuation and \$39,000 in equity;
  3. Mr Young Yu was appointed on 27 March 2012; and
  4. Comprises \$41,795 in cash, salary and fees and \$3,762 in superannuation.
- (k) if the maximum number of Shares are issued to the Related Parties, a total of 15,000,000 Shares would be allotted and issued (on the basis that no more than 15,000,000 Shares may be issued to the Related Parties in total). This will increase the number of Shares on issue from 426,742,945 to 441,742,945 (assuming that no Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 3.36% comprising 1.68% for each of the Related Parties;
- (l) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	<b>Price (\$)</b>	<b>Date</b>



Highest	0.044	22 March 2012
Lowest	0.011	12 December 2012
Last	0.02	11 February 2013

- (m) the primary purpose of the grant of the Shares is to implement cost saving measures and provide flexibility with respect of the future capital requirements of the Company;
- (n) Mr Henning declines to make a recommendation to Shareholders in relation to Resolution 2 due to his material personal interest in the outcome of the Resolution on the basis that Mr Henning is to be granted Shares in the Company should Resolution 2 be passed. However, in respect of Resolution 3, Mr Henning recommends that Shareholders vote in favour of that Resolution for the following reasons:
- (i) The grant of Shares to Related Parties will align the Directors interests with those of Shareholders;
  - (ii) the grant of Shares is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Shares upon the terms proposed;
- (o) Mr Yu declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution on the basis that Mr Yu is to be granted Shares in the Company should Resolution 3 be passed. However, in respect of Resolution 2, Mr Yu recommends that Shareholders vote in favour of that Resolution for the reasons set out in paragraph (n)(i),(n)(ii) and (n)(iii) above;
- (p) with the exception of Messrs Henning and Yu, no other Director has a personal interest in the outcome of Resolution 2 or 3;
- (q) Mr Bevan Tarratt recommends that Shareholders vote in favour of Resolutions 2 and 3 for the reasons set out in paragraph (n)(i),(n)(ii) and (n)(iii) above;
- (r) in forming their recommendations, each Director considered the experience of each other Related Party, the current market price of Shares, the current market practices when determining the number of Shares to be granted as well as the exercise price of the Shares; and
- (s) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 2 and 3.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares to the Related Parties as approval is being obtained under ASX Listing

Rule 10.14. Accordingly, the issue of Shares to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## GLOSSARY

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**\$** means Australian dollars.

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

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

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

**Chair** means the chair of the Meeting.

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

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

**Company** means Stonehenge Metals Ltd (ACN 119 267 391).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

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

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Resolutions, Explanatory Statement and the Proxy Form

**Plan** means the employee share plan the subject of Resolution 1 and as summarised in Schedule 1.

**Proxy Form** means the proxy form accompanying the Notice.

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

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

**Shareholder** means a holder of a Share.

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

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## SCHEDULE 1 – SUMMARY OF DIRECTOR SHARE PLAN

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The key terms of the Director Share Plan are as follows:

- (a) **Eligibility:** Participants in the Scheme must be a Director of the Company or any of its subsidiaries (**Participants**).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Participants will be offered Shares under the Plan.
- (c) **Offer:** The Company shall, in respect of each calendar month of service provided by the Participant in which Director's fees have accrued to the Participant but have not been paid by the Company, make an offer to each Participant. The offer will:
  - (i) invite application for the number of Shares specified in the offer;
  - (ii) specify the issue price for the Shares or the manner in which the issue price is to be calculated;
  - (iii) specify any restriction conditions applying to the Shares;
  - (iv) specify an acceptance period; and
  - (v) specify any other terms and conditions attaching to the Shares.
- (d) **Issue price:** the issue price of each Share will be based on the 20 day volume weighted average price of the Company's shares traded on the ASX prior the date of issue, unless otherwise determined by the Board of the Company from time to time.
- (e) **Rights and Restrictions Attaching to Plan Shares:** Each Share shall be issued on the terms and conditions that it will rank pari passu with all issued fully paid ordinary shares in the capital of the Company.
- (f) **Plan limit:** If the Company makes an offer where:
  - (i) the total number of Shares the subject of that offer exceeds the limit set out in ASIC Class Order 03/184 (**Class Order**); or
  - (ii) the Offer does not otherwise comply with the terms and conditions set out in the Class Order,the Company must comply with Chapter 6D of the Corporations Act at the time of that offer.
- (g) **Quotation on ASX:** The Company will apply for each Share to be admitted to trading on ASX as soon as practicable after the Shares are allotted, subject to and in accordance with arrangements for the time being subsisting with ASX.

**PROXY FORM**

**APPOINTMENT OF PROXY  
STONEHENGE METALS LTD  
ACN 119 267 391**

**GENERAL MEETING**

I/We

of

being a Shareholder entitled to attend and vote at the Meeting, hereby

appoint

Name of proxy

OR  the Chair as my/our proxy

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:00am WST, on 18 March 2013 at Level 8, 225 St Georges Terrace, Perth, Western Australia, and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

**Voting on business of the Meeting**

Resolution 1 – Adoption of Director Share Plan  
Resolution 2 – Issue of Shares to Mr Richard Henning  
Resolution 3 – Issue of Shares to Mr Young Yu

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**Important for Resolutions 1, 2 and 3**

If you have not directed your proxy how to vote as your proxy in respect of Resolutions 1, 2 and 3 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolutions 1, 2 and 3 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolutions 1, 2 and 3 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolutions 1, 2 and 3 and that votes cast by the Chair for Resolutions 1, 2 and 3, other than as proxy holder, will be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolutions 1, 2 and 3 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 1, 2 and 3.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_ %

**Signature of Shareholder(s):**

**Date:** \_\_\_\_\_

**Individual or Shareholder 1**

**Shareholder 2**

**Shareholder 3**

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

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## Instructions for Completing 'Appointment of Proxy' Form

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1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Stonehenge Metals Limited, PO Box 7631, Cloisters Square, Perth, WA 6850; or
  - (b) facsimile to the Company on facsimile number +61 8 9481 2355; or
  - (c) email to the Company at admin@stonehengemetals.com.au,so that it is received not less than 48 hours prior to commencement of the Meeting.

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