



**TRAFFORD**  
RESOURCES LIMITED

**NOTICE OF ANNUAL GENERAL MEETING**  
**EXPLANATORY STATEMENT**  
**AND PROXY FORM**

**Annual General Meeting of  
Trafford Resources Limited  
ABN 93 112 257 299**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of Trafford Resources Limited will be held at The Novotel Langley Hotel "Board Room", 221 Adelaide Terrace, Perth on Monday 29th November 2010 at 11.00 am.

*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 (08) 9485 1040.*

## **VOTING IN PERSON**

To vote in person, attend the Annual General Meeting on the date and at the place set out in this Notice of Meeting.

## **PROXIES**

1. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of the member. If two proxies are appointed, and a member does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half the votes. A proxy need not be a member of the Company.
2. Where more than one proxy is to be appointed or voting intentions cannot be adequately expressed using this form an additional form of proxy is available from the Company or you may copy this form.
3. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
4. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.For a company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
5. In order to vote on behalf of a company that is a shareholder of Trafford Resources, a valid Power of Attorney in the name of the attendee, must be lodged with the Company prior to the Meeting in a like manner as this proxy.
6. Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged at the registered office of the Company, at Level 2, 679 Murray Street, WEST PERTH WA 6005, or by facsimile (61 8) 9485 1050 not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.
7. An instrument appointing a proxy:
  - a) Shall be in writing under the hand of the appointer or of his attorney, or if the appointer is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
  - b) May specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument;
  - c) Shall be deemed to confer authority to demand or join in demanding a poll; and
  - d) Shall be in such form as the Directors determine and which complies with Section 250A of the Corporations Act 2001 and the Listing Rules;
  - e) Must be lodged with the Company prior to the Meeting in a like manner as this proxy.
8. 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.

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## **NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Annual General Meeting of Shareholders of the Company will be held at 11.00am (WST) on Monday 29<sup>th</sup> November 2010 at **The Novotel Langley Hotel "Board Room", 221 Adelaide Terrace, Perth.**

The Explanatory Statement that accompanies and forms part of this Notice of General Meeting describes in more detail the matters to be considered. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at the close of business on Thursday 25<sup>th</sup> November 2010.

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## **AGENDA**

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### **ORDINARY BUSINESS**

#### **Financial Reports**

To receive and consider and adopt the Financial Report of the company for the year ended 30 June 2010 and the reports by directors and auditors thereon.

#### **1. Adoption of Remuneration Report (Non-binding)**

To receive, consider and adopt, with or without amendment the remuneration report of the company and of the consolidated group for the year end 30<sup>th</sup> June 2010 as an advisory resolution

*"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes the Company adopts the Remuneration Report"*

Short explanation: The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company

#### **2. Re-election of Mr. Shane B. Sadleir as Director**

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

*"That Mr Shane Sadleir who retires by rotation in accordance with the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-appointed Director of the Company."*

#### **3. Approval of Trafford Resources Limited Employee Incentive Scheme**

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

*"That pursuant to and in accordance with ASX Listing Rule 7.2, Exception 9, and for all other purposes, the Company approves the grant of Options and Share Rights and issue of Shares under the employee incentive scheme for employees and Directors to be known as Trafford Resources Limited Employee Incentive Scheme ("TRF Incentive Scheme"), a summary of which is provided in the Explanatory Memorandum, as an exception to Listing Rule 7.1"*

For the purposes of ASX Listing Rule 7.3.8, the Company will disregard any votes cast on Resolution 3 by any person who may participate in the proposed issue or who may obtain a benefit except a benefit solely in the capacity of a Shareholder and any of their associates. However the Company need not disregard a vote if it is cast by such a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if 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 Authority to Issue Further Shares**

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

*“That for the purposes of ASX Listing Rules 7.1 and for all other purposes, approval is hereby given and the Directors be authorized to make placements of up to 12,294,000 fully paid ordinary shares at a price(s) to be determined by the Board of the Company, but not at less than 80% of the average ASX market price over the five days on which sales in the securities were recorded proceeding the date of such placement(s), within 3 months from the date of this meeting to such professional and sophisticated investors as the Directors may determine, as defined in the Corporations Act, other than related parties”.*

For the purposes of ASX Listing Rule 7.3.8, the Company will disregard any votes cast on Resolution 4 by any person who may participate in the proposed issue or who may obtain a benefit except a benefit solely in the capacity of a Shareholder and any of their associates. However the Company need not disregard a vote if it is cast by such a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if 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.

#### **5. Grant of Options to Mr. Ian D. Finch – 1,000,000 exercisable at 30% above the 5 days average trading prior to the date of issue and exercisable on or before 28 November 2013**

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

*“That for the purposes of Part 2E.1 of the Corporation Act and ASX Listing Rule 10.11, and all other purposes, this meeting hereby approves and authorises the Directors to grant 1,000,000 Options to Mr. Finch (or his nominee) on the terms and conditions set out in the Explanatory Statement that forms part of this Notice of Meeting”*

For the purpose of ASX Listing Rule 10.13 and Section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 5 by Mr. Finch or any associate of Mr. Finch and any person who might receive a benefit except a benefit solely in the capacity of a security holder (if the resolution is passed). However, the Company need not disregard a vote if it is cast by such a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if 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.

#### **6. Grant of Options to Mr. Shane B. Sadleir – 500,000 exercisable at 30% above the 5 days average trading prior to the date of issue and exercisable on or before 28 November 2013**

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

*“That for the purposes of Part 2E.1 of the Corporation Act and ASX Listing Rule 10.11, and all other purposes, this meeting hereby approves and authorises the Directors to grant 500,000 Options to Mr. Sadleir (or his nominee) on the terms and conditions set out in the Explanatory Statement that forms part of this Notice of Meeting”*

For the purpose of ASX Listing Rule 10.13 and Section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 6 by Mr. Sadleir or any associate of Mr. Sadleir and any person who might receive a benefit except a benefit solely in the capacity of a security holder (if the resolution is passed). However, the Company need not disregard a vote if it is cast by such a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if 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.

**7 Grant of Options to Mr. Neil W. McKay – 500,000 exercisable at 30% above the 5 days average trading prior to the date of issue and exercisable on or before 28 November 2013**

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

*“That for the purposes of Part 2E.1 of the Corporation Act and ASX Listing Rule 10.11, and all other purposes, this meeting hereby approves and authorises the Directors to grant 500,000 Options to Mr. McKay (or his nominee) on the terms and conditions set out in the Explanatory Statement that forms part of this Notice of Meeting”*

For the purpose of ASX Listing Rule 10.13 and Section 224 of the Corporations Act, the Company will disregard any votes cast on Resolutions 7 by Mr. McKay or any associate of Mr. McKay and any person who might receive a benefit except a benefit solely in the capacity of a security holder (if the resolution is passed). However, the Company need not disregard a vote if it is cast by such a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if 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.

Shareholders should read the Explanatory Statement set out below before determining their vote on this resolution.

By Order of the Board



Neil. W McKay  
Company Secretary  
28<sup>th</sup> October 2010

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## **EXPLANATORY STATEMENT**

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### **INTRODUCTION**

This Explanatory Statement has been prepared for the information of members of Trafford Resources Limited ("Trafford") in connection with the business to be conducted at the Annual General Meeting of Members to be held on Monday 29th November 2010 commencing at 11.00 a.m. at **The Novotel Langley Hotel "Board Room", 221 Adelaide Terrace, Perth**

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Annual General Meeting.

Shareholders should note that all directors approved the proposal to put the resolutions to shareholders as outlined in the Notice of Annual General Meeting and to prepare the Explanatory Statement.

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### **RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING RESOLUTION)**

The Corporations Act 2001 have expanded the disclosure requirements of companies whose shares are quoted on Australian Stock Exchange Limited by requiring that the Directors of the company include a remuneration report in the Company's annual report. Section 250R(2) of the Corporations Act also requires that the Directors put a resolution to shareholders each year that the remuneration report be adopted.

The Remuneration Report is set out in the Company's Annual Report. The Annual Report is also available on the Company's website at [www.traffordresources.com](http://www.traffordresources.com)

The Remuneration Report:

- outlines the Board's policy for determining the nature and amount of remuneration of Directors, the company secretary and senior managers of the Company; and
- discusses the relationship between the Board's remuneration policy and the Company's performance; and
- details and explains any performance condition applicable to the remuneration of a Director, secretary or senior manager, and
- details the remuneration (including options) of each Director of the Company for the year (the Company has no executives other than the executive directors); and
- summarises the terms of any contract under which any Director or the company secretary is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

The vote on the resolution is advisory only and does not bind the Directors or the Company. Nor does it affect the remuneration paid or payable to the Company's Directors or the company secretary. The Company will not be required to alter any arrangements in the Remuneration Report should the resolution not be passed. However, the Board will take the outcome of the resolution into account when considering future remuneration policy.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

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### **RESOLUTION 2 – RE-ELECTION OF MR. SHANE BEATTY SADLEIR**

Clauses 11.1.3, 11.1.4, 11.1.5 and 11.1.6 of the Constitution provides that, at the annual general meeting, in every year one-third of the Directors for the time being, or, if their number is not 3 or a

multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 3 years or more (except a Managing Director), must retire from office. A retiring Director is eligible for re-election. The Directors to retire at any annual general meeting must be those who have been longest in office since their last election but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by lot.

Mr. Sadleir retires and seeks re-election in accordance with clause 11.1.4 of the Constitution.

Details regarding Mr. Sadleir are set out in the Company's 2010 Annual Report.

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## **RESOLUTION 3– APPROVAL OF TRAFFORD RESOURCES LIMITED EMPLOYEE INCENTIVE SCHEME**

### **Background to Resolution 3**

Resolution 3 proposes the introduction of a Trafford Resources Limited Employee Incentive Scheme. The Company has undertaken a review of the framework for provision of long term incentives to its employees.

The TRF Incentive Scheme is a component of the Company's remuneration policy of providing effective long term incentives for performance and retention of its employees.

The TRF Incentive Scheme is the framework for the provision of long term incentives to executives and employees of the Company at all levels and comprises of two parts, Part 1 provides for the issue of Options ("Part 1") and Part 2 provides for the issue of Performance Rights ("Part 2"). Part 1 is largely identical to the Company's existing Employee Incentive Scheme ("EIS"). The TRF Incentive Scheme, "Part 2", enhances the EIS and is designed to increase the motivation of staff and create a stronger link between increasing shareholder value and employee reward.

A review of the EIS defined a number of limitations, such as:

- The EIS does not provide certainty as to any benefits being derived by the employee, irrespective of their individual contribution to the Company and/or achievement of the hurdles put in place for Options to be vest; and
- The capacity of staff to fund the exercise of Options, even when those Options are in the money, is often limited, and therefore, the benefit earned cannot always be crystallised.

Therefore, it is proposed that under the TRF Incentive Scheme participants who have been invited to participate will be offered either Options or Performance Rights at the discretion of the Board. Shareholder approval is required if any issue of securities pursuant to the Trafford Incentive Scheme is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without shareholder approval. Accordingly, shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 9(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of that date of issue.

No securities have been issued under the TRF Incentive Scheme and the TRF Incentive Scheme has not previously been approved by shareholders.

### **The Trafford Incentive Scheme**

To achieve the corporate objectives, the Company needs to attract and retain its key staff. Your Board believes that grants of Options and Performance Rights to eligible employees will provide a powerful tool to underpin the Company's employment strategy and that the implementation of the TRF Incentive Scheme will:

- Enable the Company to recruit and retain the talented people need to achieve its business objectives:

- Link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;
- Align the financial interest of participants of the TRF Incentive Scheme with those of Shareholders; and
- Provide incentives to participants of the TRF Incentive Scheme to focus on superior performance that creates shareholder value.

### **Outline of the TRF Incentive Scheme**

This section gives a brief outline of how the Board intends to implement initial participation under the rules of the proposed TRF Incentive Scheme.

#### *Participation*

Well designed, performance linked equity plans are widely considered to be very effective in providing long term incentives to staff. They are also used to attract and retain staff by providing them with the opportunity to create a valuable personal asset and financial stake in the Company. The Board wishes to be in a position to offer either Share Rights or Options to employees to achieve the objective outline above.

Prior Shareholder approval will be required before any Director or related party of the Company can participate in the TRF Incentive Scheme.

#### *Performance Conditions*

The Board's policy is that long term equity based reward for employees should be linked to the achievement by the Company of a performance condition.

Options and Share Rights granted to eligible employees will be subject to performance conditions as determined by the Board, acting as the Remuneration Committee from time to time. These performance conditions must be satisfied before either the Share Rights or Options vest.

The performance conditions are likely to be linked to a combination of Total Shareholder Return ("TSR") being the change in the share price over the relevant measurement period plus dividends (if any) notionally reinvested in the Shares, together with the achievement of other major milestones for the Company as identified in the Company's Strategic Plan. TSR is currently the measure most widely utilised by listed companies in their incentive share plans.

#### *Rules of The TRF Incentive Scheme.*

The Board may from time to time in its absolute discretion issue invitations to full-time or part-time employees of the Company or a Group Company ("Eligible Person") to participate in the TRF Incentive Scheme. The number of Share Rights and Options which may be granted under the TRF Incentive Scheme at any time must not exceed the maximum permitted under ASIC Class Order 03/84 (which provides relief from the disclosure regime of the Corporations Act). Shares issued upon exercise of Share Rights and Options shall rank pari passu with existing Shares. An Eligible Person may be offered the opportunity to participate in Part 1 of the issue of Options or Part 2 for the issue of Share Rights.

The following is a summary of Part 1 of the TRF Incentive Scheme with respect to the issue of Options:

- a. *Terms and Conditions of Options.* The Board may, in its absolute discretion, determine the terms and conditions of the Options to be offered to Eligible Persons under the TRF Incentive Scheme, including the exercise price, expiry date and any exercise or performance conditions which need to be fulfilled before the Options may be exercised. The Board will have regard to the market value of the Shares at the time it resolves to offer Options determining the exercise price of the Options.
- b. *No payment for grant of Option.* An Eligible Person will not pay anything for the grant of Options. The Eligible Person must pay the exercise price to the Company to exercise the Options into Shares.
- c. *Exercise of Options.* Subject to any exercise or performance conditions set by the Board. Options may be exercised any time prior to their expiry date. In addition, the Options may be exercised at any time in certain takeover or change in control events.
- d. *Pro rata issues, bonus issues, reorganisations of capital and winding up.*
  - i. Options do not carry any rights to the holder to participate in any issue of securities to existing Shareholders;
  - ii. If there is a bonus issue to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the option holder would have received if the Option had been exercised before the record date of the bonus issue;

- iii. If there is a pro-rata issue (other than bonus issue) to Shareholders, the exercise price of the Options will be reduced according to the formula provided in the Listing Rules;
  - iv. If there is a reorganisation of the issued capital of the Company, then the rights of the option holder (including the number of Options to which the optionholder is entitled and the exercise price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation ; and
  - v. If a resolution for a members' voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to the optionholder of the proposed resolution. Subject to the exercise conditions of the Options, the optionholder may, in the period referred to in the notice, exercise their Options.
- e. *Lapse of Options.*
- i. Options not validly exercised on or before their expiry date will automatically lapse;
  - ii. Unless otherwise determined by the Board, if Options are granted subject to exercise conditions and prior to satisfaction of the exercise conditions, an Eligible Person cease to an Eligible Person for any reason other than the Specified Reason any such Options held by the Eligible Person (or his or her nominated associate) will automatically lapse;
  - iii. Unless otherwise determined by the Board, if Options are granted subject to exercise conditions, and prior to satisfaction of the exercise conditions, and Eligible Person cease to be an Eligible Person because of a Specified Reason, any such Options held by the Eligible Person (or his or her nominated associate) may be exercised within 45 days of the event of the Specified Reason, or such longer period as the Board determines, subject to the Board waiving or varying the exercise conditions of the Options such that they may be exercised. Options not exercised within the 45 days or the longer period set by the Board will automatically lapse; and
  - iv. Unless otherwise determined by the Board, if an Eligible Person cease to be an Eligible Person, at any time after an Option is or has become exercisable, the Eligible Person (or his or her nominated associate) must exercise such Options within 30 days or they will lapse.

The following is a summary of Part 2 of the TRF Incentive Scheme with respect to the issue of Share Rights:

- a. *Number of Share Rights.* A Share Right is an option to receive a Share on the terms set out in the TRF Incentive Scheme for the relevant performance period and subject to satisfaction of the applicable hurdles. The performance period, performance hurdles and test dates for measuring the performance hurdles may be determined by the Board from time to time.
- b. *No Payment.* An Eligible Person will not pay anything for the grant of Share Rights and no amount will be payable by the holder of a Share Right on the exercise of the Share Right.
- c. *Vesting.* A Share Right is automatically considered to be exercised if it has vested and the Company is obliged to issue the shares. Share Rights may vest in the following ways:
  - i. If the applicable performance hurdles are satisfied as at the relevant test date:
  - ii. If the holder cease to be an Eligible Person because of an "Uncontrollable Event" (e.g. death, serious injury, disability, retrenchment or redundancy). In these circumstances, all of the unvested Share Rights that are capable of becoming exercisable if performance hurdles are met at the next test date will vest automatically and any other unvested Share Rights will only vest if determined by the Board in its absolute discretion;
  - iii. If the holder ceases to be an Eligible Person because of resignation, all the unvested Share Rights will automatically lapse. In these circumstances the Board in its absolute discretion, after due consideration of the performance of the Eligible Person in meeting the performance hurdles may use its absolute discretion to amend the Share Rights vesting criteria;

- iv. Unvested Share Rights that have not lapsed will vest if a takeover bid (as defined in the Corporations Act) to acquire Shares becomes unconditional; at any time after a "Change of Control Event" (as defined in Part 2 of the TRF Incentive Scheme) has occurred; or if a merger by way of arrangement under the Corporation Act has been approved by the Court.
- d. *Exercise.* Share Rights are automatically exercised if they vest. The Company must issue new Shares or procure the transfer of existing Shares to the holder immediately upon vesting of Share Rights;
- e. *New Issue.* Share Rights do not confer on the holder a right to participate in a new issue of Shares in the Company, including by way of bonus issue, rights issue or otherwise;
- f. *Variation of Capital.* If there are certain variations of the Share Capital of the Company including a capitalisation or rights issue, sub-division, consolidation or reduction of Share Capital, a demerger or other distribution in specie, the Board may make one of the following adjustments as it considers appropriate in accordance with the provisions of the Listing Rules:
  - i. The number of Shares which may be issued or transferred upon exercise of any of the Share Rights; or
  - ii. Where Share Rights have been exercised but no Shares have been issued or transferred following the exercise, the number of Shares which may be issued or transferred.
- g. *Lapse.* All Share Rights will lapse on the date where performance hurdles have not been satisfied on the test date determined by the Board.
- h. *Restriction.* A Participant who wishes to trade any Share issued or transferred under the TRF Incentive Scheme must seek and receive Board approval.

In accordance with the requirements of Listing Rule 7.2 Exception 9(b) the following information is provided:

- a. A summary of the TRF Incentive Scheme is set out above and a copy of the TRF Incentive Scheme is available to Shareholders free of charge on request to the Company Secretary; and
- b. This is the first approval sought under Listing Rule 7.2 Exception 9, with respect to the TRF Incentive Scheme.

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## **RESOLUTION 4 – AUTHORITY TO ISSUE FURTHER SHARES**

### **Background to Resolution 4**

It is anticipated that increased exploration activities will require additional expenditure to fully complete the anticipated exploration programme.

### **ASX Listing Rule Requirements**

#### **Listing Rule 7.3**

In accordance with ASX Listing Rule 7.3 the Company discloses:

- a. The maximum number of securities to be issued and allotted pursuant to this resolution is 12,294,000 shares
- b. The date by which the securities will be issued is as soon as practicable but not later than three months from the date of this meeting.
- c. The issue price of the securities will be a price not less than 80% of the average ASX market price of ordinary shares of the Company over the five days on which sales in the securities were recorded preceding the date of the issue thereof.
- d. The allottees of the securities are not known at this time but will be such persons or entities who are professional and sophisticated investors as the Directors may determine, other than related parties.
- e. Allotment will occur progressively.
- f. The funds to be raised from the issue and allotment of shares will be applied towards exploration expenditure on the Company's mining tenements at Wilcherry Hill, South Australia and for related purposes.

- g. The fully paid ordinary shares will rank pari passu with all other ordinary shares issued by the Company.

#### ADDITIONAL INFORMATION FOR RESOLUTION 4

##### The Shares issue will expand issued share capital of the Company by more than 15% in one year

Under ASX Listing Rule 7.1 a Company must obtain shareholder approval to issue more than 15% of its total issued equity securities in any twelve month period. The following shares have been issued within the past twelve months.

Date	Purpose	Quantity	% of Issued Capital
22 <sup>nd</sup> January 2010	Exercise of Options	3,101,514	4.55%
24 <sup>th</sup> February 2010	Placement	3,171,202	4.45%
28 <sup>th</sup> July 2010	Rights Issue	7,451,106	10.0%
1 <sup>st</sup> September 2010	Exercise of Options	200	0.00%

and thus the approval of shareholders is required to issue any further equity securities within twelve months of those dates.

##### Percentage of expanded capital of proposed share issue

The number of shares proposed to be issued pursuant to Resolution 4 will comprise 15% of the total of the then issued equity securities of the Company.

##### Basis of Share Issue

Pursuant to Resolution 4 the Company is seeking approval for the issue and allotment of up to 12,294,000 shares which may be released periodically over the next three months. The details of each issue, including date and number of shares will be determined by the Board. There is at present no definite basis on which Directors will decide who the allottees will be. If any issue of shares is to be made Directors will allot the shares to Investors who are prepared to take up shares at not less than the minimum issue price. The minimum issue price will be 80% of the average market price for the Company's securities traded on the ASX. The average market price will be calculated over the last five days on which sales were recorded on the ASX before the day on which the issue will be made, in accordance with ASX Rule 7.3.3. Such shares will not be issued or allotted to related parties of the Company.

##### Purpose of Share Issue

Whilst the amount of funds to be raised pursuant to this resolution are not yet ascertainable, the intention is to apply all of such funds, less any cost of fund raising, to further advancing the exploration program at Wilcherry Hill, South Australia where the Company has gold, lead and zinc targets.

#### CAPITAL STRUCTURE

On completion of the issue of Shares contemplated by this Notice of Annual General Meeting, the capital structure of the Company will be as follows:

	Capital Structure Now	Capital Structure if Resolutions 4 is passed and all shares are issued
Shares	81,962,370	94,256,370
Listed Options	3,725,388	3,725,388
Unlisted Options	9,250,000	9,250,000

<b>\$</b>	means Australian dollars. All amounts in this Explanatory Statement are in Australian dollars unless otherwise stated.
<b>ASX</b>	means ASX Limited.
<b>ASX Listing Rules or Listing Rules</b>	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
<b>Directors</b>	means the directors of the Company.
<b>Official Quotation:</b>	has the same meaning as in the ASX Listing Rules.
<b>Share</b>	means a fully paid ordinary share in the capital of Trafford
<b>Share Placement Issue</b>	means the proposed issue of up to 12,294,000 Shares with one attaching free option for every one Share subscribed and issued, at a subscription price no less than 80% of the average market price calculated in accordance with ASX Listing Rules, payable in full on application.
<b>Trafford or the Company</b>	means Trafford Resources Limited (ABN 93 112 257 299).

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## 5. **RESOLUTION 5 – GRANT OF OPTIONS TO MR. FINCH**

### **Resolution 5 seeks the approval of members to grant a total of 1,000,000 Options to Mr. Finch.**

The object of Resolution 5 is to provide Mr. Finch with a mechanism to participate in the future development of the Company and an incentive for his future involvement with and commitment to the Company.

Shareholder approval of the grant of the Options the subject of Resolutions 5 is sought for the purposes of Part 2E.1 of the Corporations Act and ASX Listing Rule 10.11.

#### ***Terms of Options***

Subject to shareholder approval, the Options will be granted on the terms and conditions set out in the Explanatory Statement and Annexure “A” to this Explanatory Statement.

#### ***Part 2E.1 of the Corporations Act***

Part 2E.1 of the Corporations Act prohibits the Company from giving a financial benefit to a “related party” of the Company (such as a director) unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- (b) Prior shareholder approval is obtained to the giving of the benefit.

For the purposes of Part 2E.1, Mr. Finch (or his nominee) is considered to be a related party of the Company and, therefore, the proposed grant of Options to him (or his nominee) requires prior shareholder approval.

In accordance with the requirements of Part 2E.1 and, in particular, sections 219 of the Corporations Act, the following information is provided to shareholders to allow them to assess the merits of the proposed grant of options:

1. The nature of the financial benefit to be given is the grant of Options totalling 1,000,000 on the terms set out in Annexure "A" to this Explanatory Statement.
2. an estimate of the value of the Options is set out in Annexure "B" to this Explanatory Statement;

Below is a table showing the security holdings of Mr. Finch pre and post the issue of the Options

28 November 2010			29 November 2010		
Shares	Options	Number	Shares	Options	Number
3,572,818	27 Nov 2011	2,000,000	3,572,818	27 Nov 2011	2,000,000
	31 July 2012	162,401		31 July 2012	162,401
	28 Nov 2012	2,000,000		28 Nov 2012	2,000,000
				28 Nov 2013	1,000,000

3. Mr. Finch expresses no opinion and does not wish to make a recommendation to Shareholders regarding Resolutions 5 on the basis that he has an interest in the outcome of the Resolution;
4. Messrs McKay and Sadleir recommend that Shareholders vote in favour of Resolutions 5 on the basis the Options to be granted provide Mr. Finch with an appropriate incentive for his future commitment to the Company. Messrs McKay and Sadleir have no material interest in the outcome of resolutions 5;
5. The Options are to be granted for nil consideration;
6. Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision as to whether it is in the best interests of the Company to pass the Resolution other than as follows:
  - (a) If all the options the subject of Resolutions 5, 6 and 7 are granted and exercised, then the Company's fully paid share capital will be diluted by approximately 2.44% (based on the existing number of Shares). The Company will, however, receive subscription monies totalling \$1,300,000 if issued at 25 October 2010 closing price. If, however, only the Options, the subject of this Resolution 5, are exercised, then the Company's fully paid share capital will be diluted by approximately 1.22% (based on the existing number of Shares). The Company will, however, receive subscription monies totalling \$650,000 if issued at 25 October 2010 closing price.
  - (b) the Directors consider that the incentive represented by the grant of Options is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration; and
  - (c) The primary purpose of the grant of Options is to provide an incentive to Mr. Finch. Given this purpose, the Directors do not consider that there is any opportunity cost or benefit foregone to the Company in granting the Options, the subject of Resolution 5..
  - (d) The Board, with the exclusion of Mr. Finch, has examined carefully the remuneration package of Mr. Finch to determine the fairness and reasonableness of the remuneration package. As part of the examination, the Board has reviewed the remuneration packages of industry executives in similar roles to Mr. Finch as Managing Director of Trafford Resources Limited.

An aggregate amount of \$196,200 including superannuation is currently payable to Mr. Finch, for the provision of Managing Director services to the Company.

Based on the examination, the Board has concluded that the totality of Mr. Finch's remuneration package, including the equity component of 1,000,000 Options now to be considered for approval by shareholders, is fair and reasonable in the circumstances of Trafford Resources, in light of Mr. Finch's management experience and knowledge of the mineral exploration industry.

***ASX Listing Rule 10.11***

ASX Listing Rule 10.11 provides that, subject to certain exemptions (none of which are relevant here), a company must not issue options to a related party without shareholder approval. Resolution 5 seeks this approval.

Information required for the purposes of ASX Listing Rule 10.13 in relation to the Shareholder approval sought under ASX Listing Rule 10.11 is provided in the Resolution and the notes above.

No funds will be raised from the issue of the Options. Further funds may be raised on the eventual exercise of the Options however there is no guarantee that the Options will be exercised at any future time. Such funds will be used for the purpose of providing working capital to the Company.

The Options will be issued as soon as practicable after the date of this meeting and in any event within one month.

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**6. RESOLUTION 6 – GRANT OF OPTIONS TO MR. SADLEIR**

**Resolution 6 seeks the approval of members to grant 500,000 Options to Mr. Sadleir.**

The object of Resolution 6 is to provide Mr. Sadleir with a mechanism to participate in the future development of the Company and an incentive for his future involvement with and commitment to the Company.

1. Shareholder approval of the grant of the options the subject of Resolution 6 is sought for the purposes of Part 2E.1 of the Corporations Act and ASX Listing Rule 10.11.

***Terms of Options***

Subject to shareholder approval, the Options will be granted on the terms and conditions set out in the Explanatory Statement and Annexure "A" to this Explanatory Statement.

***Part 2E.1 of the Corporations Act***

Part 2E.1 of the Corporations Act prohibits the Company from giving a financial benefit to a "related party" of the Company (such as a director) unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- (b) prior shareholder approval is obtained to the giving of the benefit.

For the purposes of Part 2E.1, Mr. Sadleir (or his nominee) is considered to be a related party of the Company and, therefore, the proposed grant of Options to him (or his nominee) requires prior shareholder approval.

In accordance with the requirements of Part 2E.1 and, in particular, sections 219 of the Corporations Act, the following information is provided to shareholders to allow them to assess the merits of the proposed grant of options:

1. the nature of the financial benefit to be given is the grant of 500,000 Options on the terms set out in Annexure "A" to this Explanatory Statement;
2. an estimate of the value of the Options is set out in Annexure "B" to this Explanatory Statement

Below is a table showing the security holdings of Mr. Sadleir pre and post the issue of the Options

28 November 2010			29 November 2010		
Shares	Options	Number	Shares	Options	Number
2,501,587	27 Nov 2011	1,000,000	2,501,587	27 Nov 2011	1,000,000
	31 July 2012	111,436		31 July 2012	111,436
	28 Nov 2012	1,000,000		28 Nov 2012	1,000,000
				28 Nov 2013	500,000

3. Mr. Sadleir expresses no opinion and does not wish to make a recommendation to Shareholders regarding Resolution 6 on the basis that he has an interest in the outcome of the Resolutions;
4. Messrs Finch and McKay recommend that Shareholders vote in favour of Resolution 6 on the basis the Options to be granted provide Mr. Sadleir with an appropriate incentive for his future commitment to the Company. Messrs Finch and McKay have no material interest in the outcome of resolution 6;
5. the Options are to be granted for nil consideration;
6. Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision as to whether it is in the best interests of the Company to pass the Resolution other than as follows:
  - (a) If all the options the subject of Resolutions 5, 6, and 7 are granted and exercised, then the Company's fully paid share capital will be diluted by approximately 2.44% (based on the existing number of Shares). The Company will, however, receive subscription monies totalling \$1,300,000 if issued at 25 October 2010 closing price. If, however, only the Options, the subject of this Resolution 6, are exercised, then the Company's fully paid share capital will be diluted by approximately 0.06% (based on the existing number of Shares). The Company will, however, receive subscription monies totalling \$325,000 if issued at 25 October 2010 closing price
  - (b) the Directors consider that the incentive represented by the grant of Options is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration; and
  - (c) The primary purpose of the grant of Options is to provide an incentive to Mr. Sadleir. Given this purpose, the Directors do not consider that there is any opportunity cost or benefit foregone to the Company in granting the Options, the subject of Resolution 6..
  - (d) The Board, with the exclusion of Mr. Sadleir, has examined carefully the remuneration package of Mr Sadleir to determine the fairness and reasonableness of the remuneration package. As part of the examination, the Board has reviewed the remuneration packages of industry executives in similar roles to Mr. Sadleir as Director of Trafford Resources Limited.

An aggregate amount of \$48,000 including superannuation is currently payable to Mr Sadleir, for the provision of Director Services to the Company. Based on the examination, the Board has concluded that the totality of Mr. Sadleir's remuneration package, including the equity component of 500,000 Options now to be considered for approval by shareholders, is fair and reasonable in the circumstances of Trafford Resources, in light of Mr. Sadleir's management experience and knowledge of the mineral exploration industry.

**ASX Listing Rule 10.11**

ASX Listing Rule 10.11 provides that, subject to certain exemptions (none of which are relevant here), a company must not issue options to a related party without shareholder approval. Resolution 6 seeks this approval.

Information required for the purposes of ASX Listing Rule 10.13 in relation to the Shareholder approval sought under ASX Listing Rule 10.11 is provided in the Resolution and the notes above.

No funds will be raised from the issue of the Options. Further funds may be raised on the eventual exercise of the Options however there is no guarantee that the Options will be exercised at any future time. Such funds will be used for the purpose of providing working capital to the Company.

The Options will be issued as soon as practicable after the date of this meeting and in any event within one month.

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**7 RESOLUTION 7 – GRANT OF OPTIONS TO MR. MCKAY**

Resolution 7 seeks the approval of members to grant 500,000 Options to Mr. McKay.

The object of Resolution 7 is to provide Mr. McKay with a mechanism to participate in the future development of the Company and an incentive for his future involvement with and commitment to the Company.

Shareholder approval of the grant of the options the subject of Resolution 7 is sought for the purposes of Part 2E.1 of the Corporations Act and ASX Listing Rule 10.11.

***Terms of Options***

Subject to shareholder approval, the Options will be granted on the terms and conditions set out in the Explanatory Statement and Annexure "A" to this Explanatory Statement.

***Part 2E.1 of the Corporations Act***

Part 2E.1 of the Corporations Act prohibits the Company from giving a financial benefit to a "related party" of the Company (such as a director) unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- (b) Prior shareholder approval is obtained to the giving of the benefit.

For the purposes of Part 2E.1, Mr. McKay (or his nominee) is considered to be a related party of the Company and, therefore, the proposed grant of Options to him (or his nominee) requires prior shareholder approval.

In accordance with the requirements of Part 2E.1 and, in particular, sections 219 of the Corporations Act, the following information is provided to shareholders to allow them to assess the merits of the proposed grant of options:

1. the nature of the financial benefit to be given is the grant of 500,000 Options on the terms set out in Annexure "A" to this Explanatory Statement;
2. an estimate of the value of the Options is set out in Annexure "B" to this Explanatory Statement;

Below is a table showing the security holdings of Mr. McKay pre and post the issue of the Options

28 November 2010			29 November 2010		
Shares	Options	Number	Shares	Options	Number
2,753,773	27 Nov 2011	1,000,000	2,753,773	27 Nov 2011	1,000,000
	31 July 2012	125,173		31 July 2012	125,173
	28 Nov 2012	1,000,000		28 Nov 2012	1,000,000
				28 Nov 2013	500,000

3. Mr. McKay expresses no opinion and does not wish to make a recommendation to Shareholders regarding Resolutions 7 on the basis that he has an interest in the outcome of the Resolution;
4. Messrs Finch and Sadleir recommend that Shareholders vote in favour of Resolution 7 on the basis the Options to be granted provide Mr. McKay with an appropriate incentive for his future commitment to the Company. Messrs Finch and Sadleir have no material interest in the outcome of resolutions 7;
5. The Options are to be granted for nil consideration;
6. Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision as to whether it is in the best interests of the Company to pass the Resolution other than as follows:
  - (a) If all the options the subject of Resolutions 5, 6 and 7 are granted and exercised, then the Company's fully paid share capital will be diluted by approximately 2.44% (based on the existing number of Shares). The Company will, however, receive subscription monies totalling \$ 1,300,000 if issued at 25 October 2010 closing price. If, however, only the Options, the subject of this Resolution 7, are exercised, then the Company's fully paid share capital will be diluted by approximately 0.06% (based on the existing number of Shares). The Company will, however, receive subscription monies totalling \$325,000 if issued at 25 October 2010 closing price
  - (b) the Directors consider that the incentive represented by the grant of Options is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration; and
  - (c) The primary purpose of the grant of Options is to provide an incentive to Mr. McKay. Given this purpose, the Directors do not consider that there is any opportunity cost or benefit foregone to the Company in granting the Options, the subject of Resolutions 7.
  - (d) The Board, with the exclusion of Mr. McKay, has examined carefully the remuneration package of Mr. McKay to determine the fairness and reasonableness of the remuneration package. As part of the examination, the Board has reviewed the remuneration packages of industry executives in similar roles to Mr. McKay as Director of Trafford Resources Limited.

An aggregate amount of \$48,000 including superannuation is currently payable to Mr. McKay, for the provision of Director Services to the Company. Mr. McKay also receives a variable amount in his capacity as Company Secretary.

Based on the examination, the Board has concluded that the totality of Mr. McKay's remuneration package, including the equity component of 500,000 Options now to be considered for approval by shareholders, is fair and reasonable in the circumstances of Trafford Resources, in light of Mr. McKay's management experience and knowledge of the mineral exploration industry.

**ASX Listing Rule 10.11**

ASX Listing Rule 10.11 provides that, subject to certain exemptions (none of which are relevant here), a company must not issue options to a related party without shareholder approval. Resolution 7 seeks this approval.

Information required for the purposes of ASX Listing Rule 10.13 in relation to the Shareholder approval sought under ASX Listing Rule 10.11 is provided in the Resolution and the notes above.

No funds will be raised from the issue of the Options. Further funds may be raised on the eventual exercise of the Options however there is no guarantee that the Options will be exercised at any future time. Such funds will be used for the purpose of providing working capital to the Company.

The Options will be issued as soon as practicable after the date of this meeting and in any event within one month.

**NOTE: RESOLUTIONS 5, 6 and 7**

Shares and Options currently on issue are:

81,962,370	Ordinary fully paid shares
3,725,388	Listed options exercisable at 75 cents on or before 21 July 2012
4,000,000	Unlisted options exercisable on or before 27 November 2010 at \$1.6603 each,
100,000	23 June 2011 unlisted options exercisable at 95.03 cents each
2,000,000	28 November 2012 unlisted options exercisable at \$26.03 cents each
2,000,000	28 November 2012 unlisted options exercisable at 31.03 cents each
1,150,000	10 March 2014 unlisted employee options exercisable at 11.03 cents each

The highest and lowest ASX trading prices of the company's fully paid shares in the last 12 months are:

High: \$1.06

Low: 19 cents

Latest Available trading prices (25 October 2010):

Ordinary fully paid shares 49.50 cents

Listed Options 16.50 cents

## ANNEXURE "A"

### Terms and Conditions of New Unlisted Options

**The terms and conditions of the Options proposed to be allotted and issued and the subject of proposed Resolutions 5, 6, and 7 are as follows:**

- a) Each Option entitles the holder to subscribe for one Share in the capital of the Company.
- b) Subject to paragraph (c) below, the Options are exercisable at any time up to 5.00pm Perth time on 28 November 2013 by completing an Option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company. Any Options not exercised by that time will lapse.
- c) An Option Holder may exercise some only of that person's Options, which does not affect that holder's right to exercise the remainder of their Options by the deadline in paragraph (b) above. Options must be exercised in multiples of 100 at a time, unless the Option Holder exercises all Options able to be exercised at that time.
- d) Subject to the Corporations Act, the ASX Listing Rules and the Company's Constitution, the Options are freely transferable. Application will not be made to ASX for official quotation of the Options.
- e) All Shares issued upon exercise of the Options will, from the date they are issued, rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options.
- f) Option Holders cannot participate in new issues of capital offered to Shareholders of the Company during the currency of the Options without exercising the Options. However, the Company will ensure that for the purpose of determining entitlements to any such issue, the books closing date will be at least 10 business days after the issue is announced. This will give Option Holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- g) Subject to paragraph (h), if the Company makes a bonus share issue, a rights issue or any other similar issue of rights or entitlements, there will be no adjustment to the exercise price, the number of Shares per Option or any other terms of those Options.
- h) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to 28 November 2012 the rights of Option Holders, including the number of Options or the exercise price of the Options or both will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- i) Option Holders will be sent all communications sent to Shareholders of the Company, but Options do not confer any rights to attend or vote at meetings of Shareholders of the Company. Notice may be given by the Company to Option holders in the manner provided by the Company's Constitution for the giving of notices to shareholders, and the relevant provisions of the Company's Constitution apply with all necessary modification to notices to Option Holders.

## ANNEXURE "B"

### ESTIMATE OF THE VALUE OF OPTIONS

An estimate of the value of the Options that are proposed to be granted (pursuant to the passing of Resolutions 5, 6 and 7) using the Black and Scholes Options Pricing Model has been calculated as set out below:

	Name of Allottee	Number of Options	Estimated Value using Black & Scholes Model \$
Resolution 5	Finch	1,000,000	93,875
Resolution 6	Sadleir	500,000	46,938
Resolution 7	McKay	500,000	46,938
	<b>Total</b>	<b>2,000,000</b>	<b>187,751</b>

The estimated value of the Options was calculated using the following assumptions:

1. risk free rate of 6.0% as at 25 October 2010;
2. current share price of 49.50 cents;
3. dividend yield of 0%;
4. forecast volatility of 45%: the volatility rate based on the range to which the shares have been trading on the Australian Stock Exchange (ASX). It is not uncommon to have lower or higher volatility for mining exploration companies.
5. option exercise price of 65 cents; and
6. option expiry date of 28 November 2013.
7. discount for unlisted options of 30% for non negotiability and/or lack of liquidity.

**Appointment of Proxy - Trafford Resources Limited ABN 93 112 257 299**

**PROXY FORM**

I/WE	The Secretary Trafford Resources Limited P O Box 1124 WEST PERTH WA 6872
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being a member/members of Trafford Resources Limited (**the "Company"**) hereby appoint

\_\_\_\_\_ of \_\_\_\_\_  
 Print proxy's name in full  
 of \_\_\_\_\_  
 print proxy's address  
 and (if you wish to appoint two proxies) \_\_\_\_\_  
 print second proxy's name in full  
 of \_\_\_\_\_  
 print second proxy's address

or, in the proxy's/proxies' absence or if no other appointee is mentioned, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on **29<sup>th</sup> November 2010 at 11.00 a.m. at The Novotel Langley Hotel "Board Room", 221 Adelaide Terrace , Perth** and at any adjournment of that meeting in respect of .....of my/our shares or, failing any number being specified, ALL of my/our shares.

<p>If you do not wish to direct your proxy how to vote, please place a mark in the box.</p> <p>If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do <b>not</b> wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box.</p> <p>By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest. The Chair will vote in favour of all of the resolutions if no directions are given.</p> <p>If you do not mark the box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.</p>	<input type="checkbox"/>
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If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a resolution, the proxy may abstain or vote at his or her discretion.

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

**ORDINARY BUSINESS RESOLUTION**

	FOR	AGAINST	ABSTAIN
1. Adoption of Remuneration Report (Non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. TRF Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Options I.D. Finch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of Options S.B.Sadleir	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of Options N.W. McKay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note:

- If you have appointed two proxies the proportion of your voting rights allocated to each proxy is:  
 Proxy No. 1 \_\_\_\_\_% Proxy No. 2 \_\_\_\_\_%.
- If the appointment of a proxy is signed by the appointor's attorney, this form must be accompanied by the authority under which the appointment was signed, or a certified copy of the authority.

