

# JABIRU METALS LIMITED

NOTICE OF ANNUAL  
GENERAL MEETING

2010

**VENUE: CHICAGO ROOM**  
**CITIGATE HOTEL PERTH**  
**707 WELLINGTON STREET**  
**PERTH WA 6000**

**DATE: FRIDAY 26 NOVEMBER 2010**

**TIME: 9.30AM (WST)**

The Annual Report is now available  
on the Company's website:

**[www.jabirumetals.com.au](http://www.jabirumetals.com.au)**

This is an important document. If you are in any  
doubt as to how to act, you should consult your  
financial or legal adviser as soon as possible.



**Jabiru Metals**  
LIMITED

ABN 51 060 620 751



## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Jabiru Metals Limited ("Company") will be held at:

**Venue:** Chicago Room  
Citigate Hotel Perth  
707 Wellington Street  
PERTH WA 6000

**Date:** Friday 26 November 2010

**Time:** 9.30am (WST)

*This Notice of Meeting ("Notice") should be read in conjunction with the accompanying Explanatory Memorandum.*

## Agenda

### 1. ADOPTION OF ANNUAL FINANCIAL REPORT

To receive the Annual Financial Report, including Directors' declaration and accompanying reports of the Directors and Auditors for the financial year ended 30 June 2010.

### 2. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT (NON BINDING)

To consider and, if thought fit, to pass with or without amendment, the following resolution as a non binding resolution:

*"To adopt the Remuneration Report as contained in the Annual Financial Report for the financial year ended 30 June 2010"*

**Short Explanation:** The vote on this resolution is advisory only and does not bind the Directors or the Company.

### 3. RESOLUTION 2: RE-ELECTION OF MR BARRY BOLITHO AS DIRECTOR

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

*"That, in accordance with clause 17.4 of the Company's Constitution and for all other purposes, Mr Barry Bolitho who retires by rotation in accordance with the Company's Constitution and offers himself for re-election, is hereby re-elected as a Director of the Company."*

**Short Explanation:** The Company's Constitution states that one Director must retire and stand for re-election each year. Mr Bolitho, being eligible for re-election and the longest Director in office since last re-election has offered himself for re-election.

### 4. RESOLUTION 3: APPROVAL OF THE JABIRU EXECUTIVE INCENTIVE SCHEME

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

*"That for the purposes of sections 200E and 260C(4) of the Corporations Act, Listing Rule 7.2 (Exception 9) and for all other purposes, Shareholders approve the Jabiru Executive Incentive Scheme, on the terms described in the Explanatory Memorandum."*

**Short Explanation:** Approval is sought to give certain termination entitlements under the Jabiru Executive Incentive Scheme to senior executives (excluding Directors).

### 5. RESOLUTION 4: DIRECTOR PARTICIPATION IN THE JABIRU EXECUTIVE INCENTIVE SCHEME

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

*"That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of securities to Mr Gary Comb under the Jabiru Executive Incentive Scheme and otherwise on the terms described in the Explanatory Memorandum."*

**Short Explanation:** Approval is sought to issue securities under the Jabiru Executive Incentive Scheme to Mr Gary Comb, the Company's Managing Director.

### 6. RESOLUTION 5: AMENDMENT OF CONSTITUTION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

*"That, with effect from the close of the Meeting and in accordance with section 136 of the Corporations Act, the Company modifies its Constitution by:*

- (a) inserting the words "Corporations Act" directly after the words "Subject to the" in article 24.1(a) of the Constitution; and*
- (b) deleting article 24.3(a) of the Constitution in its entirety."*

**Short Explanation:** These amendments are to reflect recent changes to the Corporations Act removing the requirement for dividends to only be paid out of the profits of the Company. Further information relating to this resolution is included in the Explanatory Memorandum to this Notice of Meeting.

By Order of the Board



Ross Kestel  
Company Secretary

Date: 26 October 2010

## Voting Entitlements

In accordance with the Corporations Act, the Company has determined that the shareholding of each person for the purpose of determining entitlements to attend and vote at the Meeting will be the entitlement of that person set out in the Company's share register as at 9.30am (WST) on Wednesday, 24 November 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## Voting Exclusion

The Company will disregard any votes cast on proposed resolution 3 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any of their associates.

The Company will disregard any votes cast on proposed resolutions 4 by any Director of the Company who is eligible to participate in any executive incentive scheme in relation to the Company, and any of their associates.

However, the Company need not disregard a vote on proposed resolutions 3 and 4 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form (or provided electronically); or
- (b) the chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form (or provided electronically), as the proxy decides.

In addition, if the Corporations Act requires, a vote on proposed resolutions 3 and 4 must not be cast (in any capacity) by or on behalf of any person who may be entitled to receive a benefit in connection with that person's retirement from office, or position of employment, or an associate of that person. However, a person is entitled to cast a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution; and
- (b) it is not cast on behalf of the person or an associate of that person.

## Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative.

An appointment of Corporate Representative form is enclosed if required.

## Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the Annual General Meeting of Shareholders to be held on Friday 26 November 2010 at 9.30am (WST).

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice and is an explanation of the matters for which Shareholder approval is sought in each Resolution. Capitalised terms in this Explanatory Memorandum are defined in the Glossary.

### 1. ANNUAL FINANCIAL REPORT

The first agenda item is to receive the Annual Financial Report of the Company for the period ended 30 June 2010, comprising the financial statements, Directors' report, Directors' declaration and independent audit report.

No resolution is required in respect of this agenda item. However, it provides Shareholders with the opportunity to ask questions of the Company's Directors and Auditors in relation to the Company's results for that financial year.

### 2. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT (NON BINDING)

At a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the Shareholders.

The Remuneration Report of the Company for the financial year ended 2010 is set out in the Directors' Report contained in the Company's Annual Financial Report.

The Remuneration Report sets out the Company's remuneration arrangements for the Executives and Non-Executive Directors and Executive Employees of the Company.

Shareholders should note that the vote on this Resolution is advisory only and does not bind the Company or the Directors.

### 3. RESOLUTION 2: RE-ELECTION OF MR BARRY BOLITHO AS DIRECTOR

Clause 17.4 of the Constitution provides that an election of Directors must take place each year. If no Director is required to retire at an annual general meeting because they have not been in office without re-election past the third annual general meeting of their election, then the Director who has been in office longest since their last re-election is to retire. Mr Bolitho is the Director in office longest since his last re-election.

Mr Barry Bolitho retires as a Director in accordance with clause 17.4 of the Constitution and offers himself for re-election.

Mr Barry Bolitho has been a non-executive Director of the Company's Board since 2005.

#### 4. RESOLUTION 3: APPROVAL OF THE JABIRU EXECUTIVE INCENTIVE SCHEME

##### *Background*

The Company has established an Executive Incentive Scheme ("EIS") to align the long term incentives for the Company's senior executives with the delivery of sustainable value to Shareholders. This alignment of interests is important in ensuring that senior executives are focused on delivering sustainable returns to Shareholders, while allowing the Company to retain senior executives of a high caliber. The terms of the EIS are set out below and in certain circumstances may result in the Company providing financial assistance under the EIS for the acquisition of shares in the Company, and/or a person receiving a benefit in connection with retiring from office or ceasing employment with the Company.

Under the Corporations Act, shareholder approval is required where a company provides financial assistance under an employee share scheme or a person receives a benefit in connection with retiring from office or ceasing employment with a company. The purpose of Resolution 3 is to obtain this approval so that Performance Rights can be granted, vest, exercised and EIS Shares issued and transferred in accordance with the EIS.

##### **Terms and conditions of the EIS**

A summary of the main terms and conditions of the EIS are as follows:

##### *Performance Rights*

Under the EIS the Board may, once a financial year, grant Performance Rights to employees invited to participate in the EIS ("Participants"). The number of Performance Rights granted to each Participant is calculated in accordance with the following formula:

$$(Y \times A) \div B$$

Where:

Y = a ratio between 0.75 and 1.5 as set out in the EIS and which depends upon the Participant's level of seniority within the Company;

A = a Participant's total annual aggregate remuneration (excluding statutory superannuation entitlements, bonus payment entitlements and non-cash benefits) at the date of grant; and

B = the volume weighted price of the Company's Shares over the five trading days up to and including the date of grant.

Performance Rights are non-transferable.

##### *Performance and vesting conditions*

The Board will, at the time of grant, determine the annual performance hurdles upon satisfaction of which the Performance Rights will result in the issue of EIS Shares. Annual performance hurdles for executive directors and senior executives are based on net profit and key performance indicators respectively.

Following each financial year and as part of a Participant's performance review, the Company's remuneration committee will determine the extent to which (if at all) each Participant has achieved their applicable performance hurdles. The Company will then issue EIS Shares in accordance with this determination. No funds will be raised from the issue of EIS Shares upon satisfaction of performance hurdles.

Performance Rights lapse if performance hurdles are not met.

EIS Shares issued upon applicable performance hurdles being met will be issued to the EIS trustee, who will hold them for a period of 3 years following the initial grant of Performance Rights to the Participant. At the end of this period the Participant will be entitled to either have the Shares transferred to them or their nominee, or the Shares sold, in which case they will be paid the sale proceeds (net of any deductions).

##### *Treatment of Performance Rights and EIS Shares on Cessation of Employment*

Subject to limited circumstances, in the event a Participant ceases to be an employee of the Company, Performance Rights granted to them will lapse and any EIS Shares held by the EIS trustee on their behalf will automatically be bought back by the Company for no consideration.

The circumstances in which Performance Rights or EIS Shares will not lapse or be bought back are as follows:

- In the case of redundancy, death, serious or permanent incapacity of, or hardship in relation to, the Participant, the Board in its absolute discretion, decides to issue EIS Shares in accordance with any Performance Rights, and to transfer any EIS Shares to the Participant (or their legal representative).
- In the case of dismissal or resignation, the Board in its absolute discretion determines that the Participant has no entitlement to EIS Shares which are held by the EIS trustee on behalf of the Participant (in which case those EIS Shares will be bought back by the Company for no consideration).

##### *Change of control*

In the event of a person:

- acquiring a relevant interest in more than 20% of the Shares currently on issue, other than a person who has a relevant interest of more than 20% at the time of the adoption of the EIS in February 2010;
- making a takeover offer for the Company;
- acquiring 50% or more of the Shares as a result of:
  - › a scheme of arrangement;
  - › Shareholders approving the acquisition; or
  - › an acquisition of Shares other than pursuant to the creep provisions under section 611 item 9 of the Corporations Act,

then the Board may in its absolute discretion:

- cause such number of the Shares constituting the Performance Rights (if any) as the Board considers appropriate, having regard to the performance of the Participant in the current financial year relative to the annual performance hurdles for that financial year, to be issued; and
- the EIS trustee to transfer to the Participant his or her nominee all EIS Shares held by the EIS trustee.

## Regulatory requirements

Section 200B of the Corporations Act provides that a company may only give a person a 'benefit' in connection with their ceasing to hold a managerial or executive office position in the company if it is approved by shareholders or an exemption applies. Managerial or executive officers includes directors and senior executives.

Section 260C of the Corporations Act provides that a company may under an employee share scheme approved by shareholders, provide financial assistance for the acquisition of its own shares.

ASX Listing Rule 7.1 prohibits a listed company from issuing new securities representing more than 15% of its issued share capital during the following 12 month period without shareholder approval. ASX Listing Rule 7.2 (Exception 9) provides that securities issued under an employee incentive scheme are excluded from this restriction, provided that, within 3 years before the date of issue, issues of securities under the scheme have been approved by shareholders in general meeting.

Resolution 3 seeks the approval of shareholders for the potential issue of securities under the EIS for 3 years after the 2010 Meeting, without those securities being subject to the 15% restriction contained in ASX Listing Rule 7.1.

There is no longer any requirement under the ASX Listing Rules for shareholders to approve the establishment or operation of an employee incentive scheme. Accordingly, if Resolution 3 is not passed, the EIS will be maintained, however any Performance Rights granted or EIS Shares issued under the EIS will count towards the 15% restriction. Furthermore, the Board's discretion to provide post retirement benefits or for the Company to fund the issue of securities under the EIS may be limited so that purpose of the EIS, namely to attract and retain key senior executives, cannot be achieved.

It should be noted that Directors of the Company will not participate in the EIS, without first obtaining specific shareholder approval (which with respect to Mr Comb is sought in Resolution 4).

## Performance Rights granted under the EIS

To date, the Company has granted the following Performance Rights to Participants under the EIS:

Participant	Performance Rights	Maximum No of EIS Shares issued on satisfaction of applicable performance hurdles	Vesting Date
Scott Donaldson	850,000	Up to 850,000	1 July 2012
Neil Martin	465,000	Up to 465,000	1 July 2012
Padraig O'Donoghue	220,000	Up to 220,000	1 December 2012

## RECOMMENDATION OF DIRECTORS

The Directors unanimously recommend the Shareholders vote in favour of Resolution 3. The Directors believe the EIS aligns the long term incentives for senior executives with the delivery of sustainable value to Shareholders. This alignment of interests is important in ensuring that senior executives are focused on delivering sustainable returns to Shareholders, while allowing the Company to retain senior executives of a high caliber.

## 5. RESOLUTION 4: DIRECTOR PARTICIPATION IN THE JABIRU EXECUTIVE INCENTIVE SCHEME

### Background

As part of his remuneration package, Mr Gary Comb, the Company's Managing Director, is entitled to participate in the Company's EIS. The Board has resolved, subject to Shareholder approval, to grant Mr Comb, Performance Rights in accordance with the EIS on or about 1 July each year. Applying the formula contained in the EIS (as set out previously), Mr Comb is entitled to 2,343,386 Performance Rights for the 2010/2011 financial year (which may result in the issue of up to 2,343,386 EIS Shares if all performance hurdles are satisfied).

Under the ASX Listing Rules, shareholder approval is required to issue securities to a company's directors. The Performance Rights are securities and require Shareholder approval. The purpose of Resolution 4 is to obtain this approval so that Company can grant Performance Rights to Mr Comb for each of the 2010/2011, 2011/2012 and 2012/13 financial years.

### Grant and vesting of Performance Rights

The terms of the EIS are set out above.

Mr Comb is an executive Director of the Company and the multiplier (or "Y" in the formula previously) to determine Mr Comb's entitlement to Performance Rights is 1.5. As noted previously, the Company has determined that 2,343,386 Performance Rights will be granted to Mr Comb for the 2010/2011 financial year, in accordance with the formula set out in the EIS and using the volume weighted price of the Company's Shares over the five trading days up to and including 1 July 2010.

The Board has determined that the performance hurdles to be satisfied for Performance Rights granted to Mr Comb to vest are:

- (a) a service condition ("Service Condition"); and
- (b) a performance condition ("Performance Condition").

To satisfy the Service Condition for each annual grant, Mr Comb must be employed by the Company on the date of the relevant grant and must remain employed by the Company or a related Company on the third anniversary of the date of the relevant grant (or such other date as the Board determines at the time of grant). If Mr Comb leaves the Company as a 'good leaver' before the end of the Service Condition period, then the Company's Good Leaver Policy will apply.

The Performance Condition is a Total Shareholder Return ("TSR") hurdle, which ranks the TSR performance of the Company ("JML TSR") against the TSR performance of companies in the S&P Small Resources Index ("Comparator Group"). Broadly, TSR is a measure of the growth in share price.

The TSR hurdle for each annual grant is measured over a three year performance period ("Performance Period"). The Performance Period will generally run from the date of the relevant grant or such other date determined by the Board. The TSR for the Company and each company in the Comparator Group is measured over the Performance Period and then ranked. At the end of the Performance Period, the Board will consider and determine whether, and to what extent, the performance condition is satisfied, having regard to the Company's relative ranking.

The Performance Rights vest on the date the Board determines whether and to what extent the Performance Condition is satisfied. No Performance Rights will vest unless the JML TSR ranks at or above the 50th percentile of the Comparator Group.

The Comparator Group is made up of selected companies which are considered to be alternative investment vehicles for local and global investors, and are impacted by commodity prices and cyclical factors in a similar way to the Company. The Board retains the discretion to adjust the Comparator Group over time to take account of mergers, takeovers, new entrants and other changes.

The level of performance required for each level of vesting and the percentage vesting associated with each level of performance are set out in the table below.

JML/TSR Ranking v Comparator Group TSRs	% of Maximum Award
Below the 50th percentile	0% vest
At the 50th percentile	50% vest
Between the 50th percentile and 75th percentile	Between 50% and 100% vest progressively
At or above the 75th percentile	100% vest

The Performance Rights lapse if the Performance or Service Conditions are not met.

#### **Treatment of Performance Rights on Cessation of Employment**

In accordance with the EIS, the Board has determined that if Mr Comb ceases employment due to:

- (a) retirement, including retirement on account of ill health that results in Mr Comb being unable to perform the duties of a Managing Director;
- (b) a fundamental change occurring, i.e. where Mr Comb ceases to be the most senior executive of the Company, there is a substantial diminution in his role and responsibilities or the Company ceases to be listed on a recognised stock exchange; or
- (c) mutual agreement between Mr Comb and the Company,

a pro rata number of Performance Rights, calculated in accordance with the proportion of the Service Condition period actually worked, will continue on foot and will vest on the vesting date, subject to the satisfaction of the Performance Condition.

If Mr Comb ceases employment for any other reason (including due to resignation or termination by the Company for poor performance or misconduct), his Performance Rights will usually be forfeited; however, the Board retains the discretion to determine that in exceptional circumstances unvested Performance Rights will not lapse.

#### **Other benefits received by Mr Comb**

Mr Comb currently holds 7,078,750 Shares and 4,000,000 unlisted options (expiring 23 November 2011).

Mr Comb is employed under a contract for a three year period which commenced on 1 January 2009. Under his contract Mr Comb is to receive fixed remuneration of \$615,139 per annum. The contract may be terminated by the Company at any time prior to expiry by payment of a minimum one year's entitlements being salary, superannuation and expenses,

During the 2010 financial year Mr Comb received:

- (a) \$519,487 by way of salary and fees;
  - (b) \$75,768 by way of short-term benefits related to a motor vehicle allowance and associated fringe benefits tax;
  - (c) \$46,440 by way of superannuation,
- resulting in total remuneration of \$641,695.

For further details please refer to the Annual Report Financial Report.

#### **Regulatory requirements**

Under ASX Listing Rule 10.14, the acquisition of securities by a director under an employee incentive scheme requires shareholder approval. Shareholder approval is therefore sought for the acquisition of Performance Rights and EIS Shares upon vesting of Performance Rights by Mr Comb. If the approval is obtained under Listing Rule 10.14, the issue falls within an exception to Listing Rule 10.11 (Listing Rule 10.12, Exception 4).

#### **Disclosures made for the purposes of Listing Rule 10.15A**

Listing Rule 10.15A requires the following information to be disclosed with respect to the proposed issue of Performance Rights to Mr Comb:

- (a) The Directors have determined to, subject to shareholder approval, grant Mr Comb 2,343,386 Performance Rights for the 2010/2011 financial year.

The formula to determine the number of Performance Rights to be issued to Mr Comb for the 2011/2012 and 2012/2013 financial years is set out above. As an example, the number of Performance Rights and (in due course Shares) Mr Comb may potentially become entitled to and the likely dilutive effect are as follows:

Company Share Price <sup>1</sup>	Number of Performance Rights <sup>2</sup>	JML/TSR Ranking v Comparator Group TSRs	Number of Shares to be issued <sup>3</sup>	Dilutive effect <sup>4</sup>
\$0.315	2,343,386	<50%	nil	nil
		=50%	1,171,693	0.21%
		50-75%	Between 1,171,693 and 2,343,386	Up to 0.42%
		>75%	2,343,386	0.42%
\$0.55	1,342,120	<50%	nil	nil
		=50%	671,060	0.12%
		50-75%	Between 671,060 and 1,342,120	Up to 0.24%
		>75%	1,342,120	0.24%
\$0.80	922,708	<50%	nil	nil
		=50%	461,354	0.08%
		50-75%	Between 461,354 and 922,708	Up to 0.17%
		>75%	922,708	0.17%

<sup>1</sup> volume weighted price of the Company's Shares over the five trading days up to and including the date of grant (determined for the 2010/2011 financial year using a grant date of 1 July 2010, being a 5 day V-WAP of \$0.315).

<sup>2</sup> Mr Comb's total annual aggregate remuneration (excluding statutory superannuation entitlements, bonus payment entitlements and non-cash benefits) at the date of grant (currently \$492,111)

<sup>3</sup> level of performance required for each level of vesting and the percentage vesting associated with each level of performance are set out above

<sup>4</sup> assumes no further Share issues



- (b) The price payable on the issue or exercise of each Performance Right is nil.
- (c) This is the first meeting at which shareholder approval for a grant of Performance Rights under the amended EIS and the subsequent acquisition of shares is sought.
- (d) As at the date of this Explanatory Memorandum, no securities have been granted to Directors under the EIS. The Company has determined to grant Mr Comb 2,343,386 Performance Rights for the 2010/2011 financial year, subject to Shareholder approval.
- (e) The name of the person referred to in Listing Rule 10.14 entitled to participate in the EIS is Mr Gary Comb. Pursuant to the terms of the EIS, only persons invited by the Board may participate in the EIS. Any additional Directors who become entitled to participate in the EIS after Resolution 4 is approved and who are not named in this Explanatory Memorandum will not participate until approval is obtained under Listing Rule 10.14.
- (f) There is no loan proposed in relation to the proposed grant of Performance Rights or any subsequent issue of EIS shares to Mr Comb.
- (g) If Shareholder approval is obtained for this Resolution:
- › details of the Performance Rights granted to Mr Comb under the EIS will be published in the Company's annual report relating to the period in which the Performance Rights were issued, and that approval for the issue of the Performance Rights was obtained under Listing Rule 10.14.
  - › any additional persons who become entitled to participate in the EIS after Resolution 4 is approved and who are not named in this Explanatory Memorandum will not participate until approval has been obtained under Listing Rule 10.14.
- (h) The Performance Rights that are awarded to Mr Comb for the 2010/2011 financial year are intended to be awarded shortly after the Meeting. The Performance Rights for the 2011/2012 and 2012/2013 financial years will be granted shortly after 1 July in those years.

### Recommendation of Directors

Other than Mr Comb the Directors unanimously recommend the Shareholders vote in favour of this Resolution. The Directors believe the issue of the Performance Rights aligns the long term incentives for Mr Comb with the delivery of sustainable value to Shareholders. This alignment of interests is important in ensuring that Mr Comb is focused on delivering sustainable returns to Shareholders, while allowing the Company to retain senior executives and directors of a high caliber.

Mr Comb declines to make a recommendation in relation to this Resolution as he has a material interest in the outcome to the extent that the Resolution provides for the issue of Performance Rights to him.

## 6. RESOLUTION 5: AMENDMENT OF CONSTITUTION

There have been recent changes to the dividend payment provision in the Corporations Act which came into effect on 28 June 2010. A replacement section 254T has been included in the Corporations Act which introduces a three-tiered test that a company will need to satisfy before paying a dividend. This replaces the previous test that a company may only pay dividends from profits.

The new section 254T provides that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's Shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The Constitution of the Company currently reflects the former profits tests and restricts dividends to be paid only out of the profits of the Company. Without the proposed change, if the Directors wanted to pay a dividend, they would need to ensure that the dividend is not prohibited by section 254T and also that the dividend is paid from the profits of the company.

The Directors consider it appropriate to remove this additional restriction in the Constitution to allow more flexibility in the payment of dividends. The Resolution seeks Shareholder approval to remove the references in the Constitution restricting payment of dividends out of profits only.

### Recommendation of Directors

The Directors unanimously recommend the Shareholders vote in favour of this resolution.

## Glossary

In this Explanatory Statement, the following terms have the following meanings unless the context otherwise requires:

<b>Annual Financial Report</b>	The annual financial report of the Company for the period ended 30 June 2010, comprising the financial statements, Directors' report, Directors' declaration and independent audit report.
<b>Auditors</b>	Auditors of the Company
<b>Board</b>	Board of Directors
<b>Company</b>	Jabiru Metals Limited ABN 51 060 620 751
<b>Constitution</b>	Constitution of the Company
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>Director</b>	Director of the Company
<b>EIS</b>	The Jabiru Executive Incentive Scheme as described in the Explanatory Memorandum
<b>EIS Share</b>	A Share issued under the EIS
<b>Explanatory Memorandum</b>	The explanatory memorandum that accompanies the Notice of Meeting
<b>Listing Rules</b>	Official Listing Rules of the ASX Limited
<b>Meeting or Annual General Meeting</b>	The annual general meeting of the Company convened by the Notice of Meeting
<b>Notice of Meeting</b>	The Company's notice of meeting dated 26 November 2010
<b>Participant</b>	Means an employee of the Company invited to participate in the EIS
<b>Performance Rights</b>	Means performance rights granted under the EIS and more fully described in the Explanatory Memorandum
<b>Remuneration Report</b>	The Directors remuneration report as contained in the Annual Financial Report.
<b>Resolution</b>	A resolution contained in the notice of annual general meeting.
<b>Share</b>	Fully paid ordinary share in the capital of the Company
<b>Shareholder</b>	Shareholder of the Company
<b>WST</b>	Western Standard Time



**Please return this Proxy Form to**

Nissen Kestel Harford: PO Box 8281 SUBIACO WA 6904

Or Facsimile on +618 9 367 8812

**Member Details**

Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact Telephone No \_\_\_\_\_

Contact Name (if different from above) \_\_\_\_\_  
\_\_\_\_\_



**Jabiru Metals**  
**LIMITED**

ABN 51 060 620 751

**Appointment of Proxy**

I/We being a Member/s of Jabiru Metals Limited and entitled to attend and vote hereby appoint

☐

Mark the above with an "X" if the Chairman of the Meeting is to be your Proxy

**Or**

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting. \_\_\_\_\_

☐

Or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Jabiru Metals Limited to be held at The Chicago Room, Citigate Hotel Perth, 707 Wellington Street, Perth WA 6000 on Friday, 26 November 2010 at 9.30am (WST) and at any adjournment of that meeting.

**IMPORTANT:**

If the Chairman of the Meeting is your nominated proxy and you are not directing him to vote on the Resolutions, please mark the box in this section. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of these Resolutions and that votes cast by him for these Resolutions, other than as a proxy holder, would be disregarded because of that interest. If you do not mark this box AND you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on these Resolutions and your votes will not be counted in computing the required majority if a poll is called.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.**

**Voting directions to your proxy – please mark ☒ to indicate your directions**

**Ordinary Business**

Resolution 1: Adoption of Remuneration Report (non-binding)

For

☐

Against

☐

Abstain\*

☐

Resolution 2: Re-Election of Mr Barry Bolitho as Director

☐☐☐

Resolution 3: Approval of the Jabiru Executive Incentive Scheme

☐☐☐

Resolution 4: Director Participation in the Jabiru Executive Incentive Scheme

☐☐☐

Resolution 5: Amendment of Constitution

☐☐☐

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

**Appointment of a second proxy (see instructions overleaf)**

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

 %

**PLEASE SIGN HERE**

**This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented**

Individual or Member 1

Member 2

Member 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

## How to complete this proxy form

### Your Name and Address

Please print your name and address as it appears on your holding statement and the company's share register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company.

### Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

### Voting entitlements

In accordance with the Corporations Act, the Company has determined that the shareholding of each person for the purpose of determining entitlements to attend and vote at the meeting will be the entitlement of that person set out in the Company's share register as at 9.30am (WST) on Wednesday, 24th November 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

### Voting in person

A shareholder that is an individual may attend and vote in person at the meeting. If you wish to attend the meeting, please bring the attached proxy form to the meeting to assist in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the meeting to facilitate this registration process.

A shareholder that is a corporation may appoint an individual to act as its representative to vote at the meeting in accordance with section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the Certificate is enclosed with this Notice of Meeting

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Ross Kestel on +61 (08) 9426 8300 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

### Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate is either included in the Notice of Annual General Meeting or may be obtained from the company's share registry.

### Lodging your proxy form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting that is no later than 9.30am (WST) on Wednesday, 24 November 2010. Any Proxy Form received after that time will not be valid for the scheduled meeting.

In person	Nissen Kestel Harford Level 2 Spectrum 100 Railway Road SUBIACO WA 6008	By mail	Nissen Kestel Harford PO Box 8281 Subiaco WA 6008
		By fax	+61 (08) 9367 8812

## Appointment of Corporate Representative

### Please return this Appointment Form to the Company's Registered Office

Nissen Kestel Harford: PO Box 8281 SUBIACO WA 6904

Or Facsimile on +618 9 367 8812

### Shareholder Details

This is to certify that by a resolution of the directors of:

ACN:

(Insert Company Name)

(Insert Address)

### The Company has appointed:

(Insert Name of Corporate Representative)

In accordance with the provisions of Section 250D of the Corporations Act to act as the Corporate Representative of the company to exercise all or any of the powers the company may exercise at the Annual General Meeting of Jabiru Metals Limited ACN 060 620 751 to be held on Friday, 26th November 2010 at 10:00am (WST) and at any adjournment or postponement of the Annual General Meeting, or any meeting arising from the Annual General Meeting.

Dated this	day of	2010
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### Executed by

ACN in accordance with section 127 of the Corporations Act 2001:

Director

Director/Secretary

Name of Director

Name of Director/Secretary





ABN 51 060 620 751 ACN 060 620 751

Ground Floor, 1205 Hay Street  
West Perth WA 6005

T +61 8 9426 8300

F +61 8 9426 8399

E [info@jabirumetals.com.au](mailto:info@jabirumetals.com.au)

[www.jabirumetals.com.au](http://www.jabirumetals.com.au)

PO Box 1114, West Perth, WA 6872