



ACN 056 776 160

(Formerly Macmin Silver Ltd)

Notice of Annual General Meeting
Explanatory Statement
and Proxy Form

Date of Meeting

30 November 2009

Time of Meeting

3:00 pm WST

Place of Meeting

The Board Room

Mezzanine Level, 35 Havelock Street, West Perth, WA, 6005

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders will be held at
The Board Room, Mezzanine Level, 35 Havelock Street, West Perth at 3.00 pm on Monday, 30th November 2009.

AGENDA

Ordinary Business

ACCOUNTS

To receive and consider the Directors' Report, the Financial Statements, the Directors' Declaration and the Independent Audit Report for the year ending 30 June 2009.

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

Resolution 1. REMUNERATION REPORT

"That the Remuneration Report as set out in the Company's Annual Report for the year ended 30 June 2009 be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors of the Company.

Resolution 2. DIRECTORS

"That Mr Richard Harris, who retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election."

Resolution 3. ISSUE OF OPTIONS

"That for the purposes of Listing Rule 10.11 of the Listing Rules of ASX Limited and Section 208 of the Corporations Act 2001 and for all other purposes, Shareholders approve the issue of 10,000,000 unlisted options in the Company to Mr Charles Morgan or nominee on the terms and conditions set out in the Explanatory Memorandum."

General Notes

Explanatory Statement

The Explanatory Statement to Shareholders attached to this Notice of Annual General Meeting is hereby incorporated into and forms part of this Notice of Annual General Meeting.

Voting Entitlement

The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of attending and voting at the meeting, Shares will be taken to be held by the registered holders at 5.00pm 27th November 2009.

Voting Exclusions

The company will **disregard** any votes cast on:

- Resolution 3 by Mr Charles Morgan and any of his associates.

Notwithstanding the above, the company will not disregard a vote is cast in the following circumstances:

- by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form;
- 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; or
- by the nominee of a beneficial owner who has directed the nominee to vote for or against the resolution and the beneficial owner has confirmed to the nominee in writing that the beneficial owner is neither the (named) person (or a member of the class of persons) excluded from voting or an associate of the (named) person (or a member of the class of persons) excluded from voting.

Notice of Annual General Meeting

General Notes (cont'd)

Proxy

A member entitled to attend to vote at the meeting is entitled to appoint a proxy to attend and to vote instead of the member. The proxy need not be a member of Alcyone Resources Ltd. Proxy Forms must be lodged at the principal office of Alcyone Resources Ltd at Mezzanine Level, 35 Havelock Street, West Perth, WA, 6005/PO Box 928, West Perth WA 6872 or by facsimile (+61 8 9322 8912) **no later than 48 hours** before the time of the meeting. A Proxy Form accompanies this Notice of Meeting.

Dated this 21st day of October 2009.

By order of the Board of Directors

KEVIN HART
Company Secretary

Explanatory Statement

Resolution 1

REMUNERATION REPORT

"That the Remuneration Report as set out in the Company's Annual Report for the year ended 30 June 2009 be adopted."

The Remuneration Report is for consideration and adoption by way of **non-binding resolution**. The Remuneration Report is set out in the Alcyone Resources Ltd Annual Report 2009 and is available on the Company's web site (www.alcyone.com.au).

The report:

- explains the Board's policies in relation to the nature and level of remuneration paid to Directors of Alcyone Resources Ltd;
- sets out the remuneration details for each Director; and
- sets out the details of any Share based compensation.

Resolution 2

RE-ELECTION OF DIRECTOR

"That Mr Richard Harris, who retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected."

Mr Richard Harris retires from office in accordance with the constitution and being eligible offers himself for re-election.

The directors recommend that the shareholders vote **in favour** of the appointment of Mr Richard Harris.

Resolution 3

ISSUE OF OPTIONS TO A DIRECTOR

3.1 Background

Resolution 3 seeks Shareholder approval to allow the Company to issue 10,000,000 Options to the Chairman of the company Mr Charles Morgan or his nominee.

The grant of Options is designed to encourage the recipient to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership. Under the Company's current circumstances each of the Directors who are not beneficiaries in the proposed issue considers that the incentives to Mr Morgan, represented by the issue of these Options, are a cost effective, efficient reward and incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The number of Options to be granted to Mr Morgan has been determined in light of the following considerations:

- The Directors wish to ensure that the remuneration offered is competitive with market standards and where appropriate, based upon share price performance hurdles.
- The Directors believe it is appropriate to provide equity incentives in order to attract and ensure continuity of service of Directors who have appropriate knowledge and expertise in the industry in which the Company operates.
- The Directors consider the proposed number and terms of Options to be issued will ensure that the Directors' overall remuneration is in line with market standards.

The Company's Shares have not traded on ASX since 3 November 2008.

The last available trading price was 4.4 cents. Over the preceding 12 month period, the share price has ranged from a high of 9.6 cents on 15 August 2008 to a low of 2.7 cents on 28 October 2008.

In the event the Options are exercised, \$100,000 will need to be paid to the Company by Mr Morgan.

Explanatory Statement

Resolution 3

ISSUE OF OPTIONS TO A DIRECTOR (cont'd)

3.2 Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Corporations Act the Director is considered to be a related party of the Company. Resolution 3 provides for the grant of Options to a Director of the Company, which is a financial benefit requiring shareholder approval.

3.3 Current Holdings

As at the date of this Notice of Meeting, Mr Morgan currently has a relevant interest in 3,000,000 shares in the company and no options.

3.4 Information Requirements – Section 219 and Listing Rule 10.13

For the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.13 the following information is provided.

The related party to whom the proposed resolution would permit the financial benefit to be given:

Subject to shareholder approval a maximum number of 10,000,000 Unlisted Options will be granted to the Mr Morgan or his nominee. The options are exercisable by payment of 1 cent each on or before 30 September 2012 in accordance with the terms and conditions set out in Appendix A to this Explanatory Statement.

Mr Morgan is a related party of the Company.

The nature of the financial benefit

The proposed financial benefit to be given is the grant of Options for no consideration to the Director as noted above. The terms and conditions of the Options to be granted to the Director are set out in Appendix A to this Explanatory Memorandum.

Directors' recommendation of resolution 3

For the reasons noted above the Directors (who have no interest in the outcome of the resolution 3) recommend that shareholders vote in favour of Resolution 5.

Mr Morgan declined to make a recommendation on the proposed resolution as he has a material personal; interest in the outcome of the resolution, on the basis that he is to be granted options in the Company should the resolution be passed. Therefore, he is not in a position to recommend either for or against the proposed resolution.

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

The proposed ordinary resolution 3 would have the effect of giving power to the Directors to grant up to 10,000,000 Options on the terms and conditions as set out in Annexure A to this Explanatory Statement and as otherwise mentioned above.

The Company presently has 600,555,407 issued shares and 151,677,277 unlisted and listed Options.

If all Options granted as proposed above are exercised, together with the existing unlisted and listed options on issue, the effect would be to dilute the shareholding of existing shareholders by 1.33%. The market price of the Company's shares during the period of the Options will normally determine whether or not Option holders exercise the Options. At the time any Options are exercised and shares are issued pursuant to the exercise of the Options, the Company's ordinary shares may be trading at a price which is higher than the exercise price of the Options.

Mr Morgan's base salary per annum and the total financial benefit to be received by him in this current period as a result of the grant of Options the subject of resolution 3 are as follows:

Director	Base salary p.a. (\$)	Non Cash Benefit (\$)	Value of options to be issued (\$)	Total Financial Benefit (\$)
Mr Charles Morgan	60,000	-	34,000	94,000

Explanatory Statement

Resolution 3

ISSUE OF OPTIONS TO A DIRECTOR

3.4 Information Requirements – Section 219 and Listing Rule 10.13 (cont'd)

Valuation of Options

The Options to be granted to the Director have been independently valued by HLB Mann Judd Corporate (WA) Pty Ltd using the Black and Scholes Option valuation methodology (**Model**). The value of an option calculated by the Model is a function of a number of variables.

The Options have been valued using the following assumptions:

Variable	Input		
Underlying share price (1)	0.67 cents		
Exercise price	1.0 cent		
Risk Free Interest Rate(2)	4.99%		
Time (years) to expiry	3 years		
Estimated volatility (3)	80%	90%	100%
Theoretical value per option (cents)	0.30	0.34	0.37

- (1) Based on the underlying value of each share in the company on the net asset backing attributable to the equity holders of the parent) as outlined in the Prospectus dated 16 September 2009
- (2) Risk free rate of return estimated, based on the 2 year government treasury bonds as at 19 October 2009.
- (3) Volatility estimated and a range provided.

Under AASB 2 Share Based Payments, pursuant to the adoption of the Australian International Financial Reporting Standards, the Company is required to recognise the fair value of Options granted to Directors, employees, consultants and other advisors as an expense on a pro-rata basis over the vesting period in the income statement with a corresponding adjustment to equity.

The value ascribed has not been discounted for the Options not being quoted on ASX and are not necessarily the market prices that the Options could be traded at and they are not automatically the market prices for taxation purposes.

Based on the above assumptions and using the mid point of the range of values, the value of the Options to be issued is as follows:

Director	Number of Options	Exercise Price	Value of Option \$	Total Value \$
Mr Charles Morgan	10,000,000	1 cent	0.34 cents	34,000

This will result in an amount of \$ 34,000 being booked to the Company's income statements based on the Black and Scholes Option valuation methodology calculated at the date of this notice. It should be noted that these figures will change based on the parameters applying at the date of grant of these Options.

Timing of Issue

The Company will issue the Options as soon as practicable after the date of the meeting, but in any event no later than 1 month after the date of the meeting.

All shares issued pursuant to the exercise options under resolution 3 will rank pari passu with the existing ordinary shares on issue.

Listing Rule 7.1

Shareholder approval is sought under Listing Rule 10.11 in connection with resolution 5. If such approval is given, separate approval is not required under Listing Rule 7.1. This means that the issue of the Options, if approved, and the issue of ordinary shares on exercise of the Options, will not erode the Company's capacity to issue additional equity securities under Listing Rule 7.1.

Appendix A
ALCYONE RESOURCES LTD
Terms and Conditions of Options to be Issued

The terms and conditions attaching to the Options are set out below:

1. Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of Alcyone Resources Ltd ("**Share**") at an exercise price of 1 cent (the "**Exercise Price**").
2. The Options are exercisable at any time on or before 5.00pm Western Standard Time 30 September 2012 ("**Expiry Date**"). Options may only be exercised in multiples of 1,000. Any Options not exercised by the Expiry Date shall lapse.
3. Options may not be exercised if the effect of such exercise and subsequent allotment of the Shares would be to create a holding of less than a marketable parcel of Shares unless the allottee is already a shareholder of Alcyone Resources Ltd at the time of exercise.
4. Exercise of the Option is affected by completing a notice of exercise of option and delivering it to the registered office of Alcyone Resources Ltd together with payment of 1 cent per Option exercised.
5. The Options are freely transferable.
6. All Shares issued upon exercise of the Options and payment of the Exercise Price will rank equally in all respects with Alcyone Resources Ltd's then existing Shares. Alcyone Resources Ltd will apply for Official Quotation by ASX of all Shares issued upon exercise of the Options within three days of the issue of the Shares.
7. A certificate will not be issued for the Options and an uncertificated holding statement will be provided.
8. There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new entitlement issues of capital offered to shareholders during the currency of the Options. However, Alcyone Resources Ltd will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 business days after the Issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. In the event of any reconstruction, including a consolidation, subdivision, reduction or return of the issued capital of Alcyone Resources Ltd prior to the Expiry Date, the number of Options which each holder is entitled or the Exercise Price of the Options or both will be reconstructed as appropriate in a manner which is in accordance with the Listing Rules and will not result in any benefits being conferred on Option holders which are not conferred on shareholders, subject to such provision with respect to the rounding of entitlements as may be sanctioned by the meeting of shareholders approving the reconstruction of capital, but in all other respects the terms of exercise of the Options will remain unchanged. The rights of an Option holder may be changed to comply with the Listing rules applying to a reorganisation of capital at the time of the reconstruction.
10. Shares allotted and issued pursuant to the exercise of an Option will be allotted and issued not more than 14 days after the receipt of a proper notice and payment of the exercise price in respect of the Options exercised.

ALCYONE RESOURCES LTD
ACN 056 776 160

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. 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 the 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). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of 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.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.

Important Information

Deadline for Receipt Alcyone Resources Ltd of proxies To be effective, a completed proxy form together with the power of attorney (if any) under which it is signed, must be received by the Company at its registered office **not less than 48 hours before** the appointed time of the General Meeting.

Where to send the completed Proxy Form Once the Proxy Form is completed and all details checked by you, the form is to be sent or delivered (by hand, post or facsimile) to:

Office:	Mezzanine Level , 35 Havelock Street, West Perth, WA, 6005
Post	PO Box 928 West Perth WA 6872
Facsimile Number:	(08) 9322 8912

For Further Information If you need any further information about this form or attendance at the Company's Annual General Meeting, please contact Mr Kevin Hart on 08 9316 9100.