



ASX ANNOUNCEMENT

DOCUMENTS SENT TO SECURITY HOLDERS

Please find attached a copy of a letter, Prospectus and Notice of Meeting to be sent to shareholders today.

GREG FITZGERALD
Company Secretary
14 September 2009



Dear Shareholder or Noteholder,

Resolute Mining Limited is pleased to advise that it proposes to raise a minimum of \$20 million and up to \$35 million through a placement of Convertible Notes and Options. Resolute shareholders and noteholders are invited to participate in this Placement.

The proceeds will be applied to the restructure of the Company's debt and to provide working capital, notably for the acceleration of development work on growth projects in Mali, Tanzania and Queensland.

The offer comprises a package of three Convertible Notes at a price of \$0.70 each and one Option at a price of \$0.10 for a total of \$2.20 for the package and lead manager, Patersons Securities Limited, advise they have received commitments for the minimum subscription of \$20 million.

The face value of the Convertible Notes is \$0.50 with the additional \$0.20 representing a premium that is not redeemable by the Noteholders. The Option has an exercise price of \$0.60 and an expiry date of 31 December 2011.

The Convertible Notes and Options have the same terms and conditions as the existing listed series (ASX:RSGG and ASX:RSGO) and application will be made to the ASX for listing the new securities.

Please read the Prospectus carefully and if you would like to participate in this Placement, please follow the instructions in the Application Form included at the back of the enclosed Prospectus and return it to Patersons Securities Limited in the enclosed reply paid envelope. The offer closes on 30 October 2009, and you are encouraged to lodge your Application Form as soon as possible as the directors reserve the right to close the offer earlier.

Also enclosed is a Notice of Meeting to be held on 16 October 2009, relating to the ratification and approval of the securities to be issued pursuant to the Prospectus.

Yours faithfully

PETER SULLIVAN
Chief Executive Officer
11 September 2009

RESOLUTE MINING LIMITED

A.C.N. 097 088 689 A.B.N. 39 097 088 689

4th Floor, The BGC Centre, 28 The Esplanade, Perth Western Australia 6000. P.O. Box 7232 Cloisters Square, Perth Western Australia 6850.

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RESOLUTE
MINING
LIMITED

ACN 097 088 689



PROSPECTUS

FOR AN OFFER OF CONVERTIBLE
NOTES AND OPTIONS

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

SECURITIES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

IMPORTANT INFORMATION

This Prospectus is dated 8 September 2009 and was lodged with the ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus.

The Convertible Notes issued pursuant to this Prospectus will be issued in accordance with the Trust Deed entered into by the Company and the Trustee on 28 November 2008 and the terms and conditions of which are summarised in Section 4.1.

The Convertible Notes to be issued pursuant to this Prospectus are classified as unsecured notes for the purposes of section 283BH of the Corporations Act.

A copy of this Prospectus is available for inspection at the registered office of the Company at 4th Floor, BGC Centre, 28 The Esplanade, Perth, Western Australia, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.8).

The Company will apply for Official Quotation by ASX of the Securities issued pursuant to this Prospectus.

The Securities offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Application Form (free of charge) from the Company's principal place of business during the Offer period by contacting the Company. The offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus and Application Form within Australia.

Applications for Securities will only be accepted on an Application Form which is attached to, or provided by the Company or Lead Manager with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus or the Securities.

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Corporate Directory

Directors

Peter Huston Non-Executive Chairman
Peter Sullivan Director
Tom Ford Non-Executive Director
Henry (Bill) Price Non-Executive Director

Company Secretary Greg Fitzgerald

Principal and Registered Office

4th Floor
BGC Centre
28 The Esplanade, Perth WA 6000
Tel: + 61 (0)8 9261 6100
Fax: + 61 (0)8 9322 7541

Website: www.rml.com.au

Trustee

Trust Company Fiduciary Services Limited
Level 4, 35 Clarence Street
Sydney NSW 2000

Securities Exchange Listing

Australian Securities Exchange

ASX Codes

Shares: RSG
Options: RSGO
Convertible Notes: RSGG

Solicitors to the Company

Hardy Bowen
Level 1, 128 Ord Street
West Perth WA 6005

Lead Manager

Patersons Securities Limited
Level 23, Exchange Plaza
Perth WA 6000
Tel: + 61 (0)8 9263 1111
Fax: + 61 (0)8 9325 5123
Website: www.psl.com.au

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Risk Factors

An investment in the Securities of the Company is subject to many risks and uncertainties. Some of the more significant risks which affect an investment in the Company are:

- (a) ability of the Company to raise sufficient funds to meet the needs of the Company in the future (see Sections 3.1(a) and (d));
- (b) nature of Convertible Notes (see Section 3.1 (c));
- (c) Syama production, ore grade and recoveries risk (see Section 3.1(b));
- (d) the Convertible Notes are subordinated to the secured debt of the Company and the Company has provided negative pledges to the Trustee which may effect the ability to fund the operations of the Company (see Section 3.1 (d));
- (e) hedging commitments of the Company (see Section 3.1(g));
- (f) decrease in the gold price (see Section 3.1(j)); and
- (g) sovereign risk in Africa (see Sections 3.1(e) and (f)).

Section 3 contains details of the risks of an investment in the Company.

1. Details of the Offer

1.1 The Offer

Under this Prospectus the Company offers up to 47,727,300 Convertible Notes each at an issue price of \$0.70, together with 1 attaching Listed Option for each 3 Convertible Notes issued each at an issue price of \$0.10, to raise up to \$35,000,020, before costs of the offer, to clients of Patersons, Shareholders, Noteholders and the general public ("**Offer**"). Each Convertible Note will be unsecured, listed, have a face value of \$0.50, an interest rate of 12% per annum on the \$0.50 face value of the Convertible Notes and a term which expires on 31 December 2012. Further terms and conditions of the Convertible Notes are in Sections 1.2 and 4.1. Each Listed Option will be exercisable at \$0.60 and have an expiry date of 31 December 2011. Further terms and conditions of the Listed Options are in Section 4.16.

An indicative timetable for the Offer is:

Date for lodgement of Prospectus with ASIC	8 September 2009
Opening Date of Offer	8 September 2009
Closing Date for tranche 1 Securities	22 September 2009
Expected issue date of tranche 1 Securities	24 September 2009
Anticipated commencement of trading of tranche 1 Securities	28 September 2009
Anticipated date of Shareholders meeting	16 October 2009
Closing Date for tranche 2 Securities	30 October 2009
Last date for issue of tranche 2 Securities	9 November 2009
Last date for anticipated commencement of trading of tranche 2 Securities	11 November 2009

These dates are indicative only and the Directors reserve the right to vary these dates.

The Minimum Subscription is 27,272,730 Convertible Notes (and 9,090,910 Listed Options) (\$20,916,667).

None of the Securities offered by this Prospectus will be issued if Applications are not received for 27,272,730 Convertible Notes and attaching Listed Options. Should Applications for 27,272,730 Convertible Notes and attaching Listed Options not be received by the Closing Date for the Tranche 2 Securities, the Company will either repay the Application Monies to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and Application Monies will be repaid (without interest).

Convertible Notes and Listed Options subscribed for will be issued in two tranches.

1. Tranche 1 – The minimum subscription of 27,272,730 Convertible Notes and 9,090,910 Listed Options, which has been offered to clients of Patersons, will be issued to subscribers following receipt of Applications for the minimum subscription under the Company's 15% issuing capacity in accordance with Listing Rule 7.1.
2. Tranche 2 – Being up to a further 20,454,570 Convertible Notes and 6,818,190 Listed Options, which is offered to clients of Patersons, Shareholders, Noteholders and the general public will be issued to subscribers subject to Shareholder approval which is expected to be sought and obtained on or about 15 October 2009.

Applications for Securities in tranche 2 will only be issued following Shareholder approval. Securities in tranche 2 may be issued progressively.

Applications for Securities in tranche 1 will be by invitation only. The Lead Manager will send to tranche 1 Applicants a copy of this Prospectus together with an Application Form for tranche 1.

Applications for Securities in tranche 2 are open for any Applicant including Shareholders, Noteholders and the general public. Applicants in tranche 2 can complete a tranche 2 Application Form which is attached to this Prospectus and return it with Application Monies in accordance with the instruction below and on the Application Form.

Securities in tranche 2 will only be issued following Shareholder approval. Securities in tranche 2 may be issued progressively.

Completed Application Forms and Application Monies must be received by the Lead Manager prior to 5.00pm WST on the applicable Closing Date. Cheques must be made payable to "Resolute Mining Limited Capital Raising Account" and crossed "Not Negotiable". All cheques must be in Australian currency. Application Forms should be delivered to the Lead Manager.

Additionally DvP settlement is available for subscriptions under the Offer. Applicants who wish to pay Application Monies by DvP settlement should contact the Lead Manager to make the appropriate arrangements. Those Applicants wishing to pay Application Monies by DvP settlement must still complete and return an Application Form to the Lead Manager.

The Company reserves the right to reject any Application, or vary any Application to maintain a ratio of one Listed Option for every three Convertible Notes, or to issue a lesser number of Securities than those applied for. Where the number of Securities issued is less than the number applied for, surplus Application Monies will be refunded (without interest).

1.2 Convertible Note Terms and Payment of Interest

The Convertible Notes under the Offer are to be issued at a premium of \$0.20. This premium is not repayable by the Company. On redemption \$0.50 will be paid by the Company for each Convertible Note.

The terms of the Convertible Notes allow the Company to choose to:

- (a) pay cash interest 6 monthly in arrears;
- (b) issue Shares in satisfaction of the payment of interest; or
- (c) defer the payment of interest, prior to any interest payment date, until 31 December 2011.

Interest to be received on Convertible Notes issued pursuant to this Prospectus will be for the entire 6 months interest period from 1 July 2009 notwithstanding that the Convertible Notes will be issued after that date. See Section 4.1(d) for more details.

The Company issued Shares in satisfaction of the payment of interest on Convertible Notes on issue for the period ended 30 June 2009. In respect to future interest payments, the Company has not determined how it will satisfy future interest obligations, by either the payment of interest or issue of Shares, or whether any interest payment will be deferred. The Company will make this decision at the various times at which interest is due under the terms of the Convertible Notes (6 monthly). The Company, when determining how it will satisfy its interest obligations, will consider, amongst other things, the cash reserves of the Company and other opportunities and obligations of the Company. The Company does not have reasonable grounds at the date hereof to be able to determine if all interest throughout the term of the Convertible Notes will be able to be paid in cash 6 monthly in arrears as provided for in the terms of the Convertible Notes. The volatility of the gold price, currency exchange rates and operating costs (including the cost of diesel) together with the risks associated with the ramp up of the Syama project are such that it is not reasonable for the Company to make forecasts about the likelihood of interest being paid in cash 6 monthly in arrears during the term of the Convertible Notes. Further given that the Convertible Notes have an expiry date of 31

December 2012 there are no reasonable grounds on which the Company can predict with any certainty revenues and costs so far into the future.

The cash reserves of the Company will be influenced by the many factors which affect mining operations generally, which include the prevailing gold price and currency exchange rates, volatility in operating costs (including the cost of diesel) and the successful ramp up of the Syama project and the impact of delays on such ramp up. More detail on the risks which may affect the operations of the Company and its cash reserves are in Section 3 (Risk Factors).

The terms of the Convertible Notes purposely give the Company flexibility relating to the timing of interest payments and the ability to issue Shares in satisfaction of interest.

The key terms of the Convertible Notes are as follows:

	Terms and Conditions	Sections of Prospectus
Issue Price	\$0.70	
Face Value	\$0.50	Section 4.1(b)
Number of Convertible Notes	103,443,677 on issue at the date of this Prospectus. A minimum of 27,272,730 issued pursuant to this Prospectus (up to 47,727,300 maximum).	
Term	The Convertible Notes mature on 31 December 2012.	Section 4.1(b)
Interest	12% per annum on the \$0.50 face value of the Notes payable, in cash or Shares, 6 monthly in arrears (subject to deferral). Interest is not payable on the issue price of the Listed Options.	Sections 4.1(d), 4.1(e), 4.1(g), 4.1(h), 4.5(e) and 4.5(f)
Deferral of Interest	The Company may elect, prior to any interest payment date, to defer interest payments until 31 December 2011	Section 4.1(e)
Issue of Shares in lieu of interest	The Company may elect to issue Shares in lieu of paying interest in cash	Sections 4.1(f) & 4.5(e)
Unsecured liability	The Convertible Notes are unsecured and rank equally with the other unsecured liabilities of the Company	Sections 4.1(c), 4.5(d) and 4.5(e)
Subordinated liability	The principal amount of the Convertible Notes and all related rights, claims and payments are subject to the Subordination Deed and postponed to and rank in priority after the Company's Secured Facilities.	Sections 4.1(c), 4.5(a) and 4.5(b)
Conversion	Each Convertible Note maybe converted into 1 Share	Sections 4.1(b), 4.1(g), 4.1(l) and 4.1(m), 4.1(x) and 4.5(e)
Redemption	Redeemed Convertible Notes will be redeemed for the face value. The \$0.20 premium to Face Value at which the Convertible Notes are issued is not repayable. The \$0.10 issue price of the Listed Options is not repayable.	Sections 4.1(b), 4.1(i), 4.1(j), 4.1(k), 4.5(a), 4.5(c) and 4.5(e)
Early Redemption	The Company may elect to redeem all (but not some) of the Convertible Notes after 31 December 2011	Sections 4.1(k), 4.5(a) and 4.5(c)
Trust Deed & Subordination Deed	The terms and conditions of the Convertible Notes are subject to and conditional upon the Trust Deed and Subordination Deed	Sections 4.1(a), 4.2 and 4.5

<i>Change in Control</i>	<i>If there is a successful takeover bid or change in control, Noteholders may elect to convert all Convertible Notes into Shares. If Convertible Notes are not converted, the Company may elect to redeem them</i>	Section 4.1(o)
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1.3 Lead Manager

The Company has appointed Patersons as Lead Manager to the Offer. Patersons will assist the Company with the Offer on a best endeavours basis

As Lead Manager Patersons will receive a fee of 5% of the total amount raised under the Offer.

1.4 Application forms

Applications for Securities will only be accepted on an Application Form which is attached to, or provided by the Company or Lead Manager with a copy of this Prospectus and creates a legally binding contract between the Applicant and the Company for the number of Securities accepted by the Company. Application Forms do not need to be signed to be a binding acceptance of Securities.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

1.5 Issue and despatch

Securityholder statements are expected to be despatched, within 6 Business Days of the issue of the Securities (See Section 1.1 for details).

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities offered by this Prospectus. Applicants who sell Securities before they receive their holding statements will do so at their own risk.

1.6 Application Monies held on trust

All Application Monies received by Cheque for the Convertible Notes and Listed Options offered by this Prospectus will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Convertible Notes and Listed Options are issued. Such Application Monies will be returned (without interest) if the Securities are not issued.

1.7 ASX quotation

Application will be made to ASX for the Official Quotation of the Securities offered by this Prospectus within 7 days of the date of this Prospectus. If permission is not granted by ASX for the Official Quotation of the Securities offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.8 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532 (ASTC), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities.

If you are broker sponsored, ASTC will send you a CHESSE statement.

The CHESSE statement will set out the number of Securities issued under this Prospectus, provide details of your holder identification number and the participant identification number of the sponsor. If you are registered on the Issuer Sponsored subregister, your statement will be despatched by the Share Registry and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

A CHESSE statement or Issuer Sponsored statement will routinely be sent to Securityholders at the end of any calendar month during which the balance of their Securityholdings changes. Securityholders may request a statement at any other time, however, a charge may be made for additional statements.

1.9 Overseas investors

This Prospectus and an accompanying Application Form do not, and are not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.10 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

1.11 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2009 is in the Preliminary Financial Report which was announced on the ASX on 27 August 2009 and for the financial year ended 30 June 2008 is in the Annual Report which was announced on the ASX on 24 October 2008.

A summary of activities relating to the Company activities is also set out in the quarterly activities reports lodged with ASX on 29 October 2008, 22 January 2009, 23 April 2009 and 23 July 2009. The Company's continuous disclosure notices (i.e. ASX announcements) since the date of lodgement of the Annual Report on the 24 October 2008 are listed in Section 4.8.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Securityholders and potential investors review these and all other announcements prior to deciding whether or not to subscribe for Securities under this Prospectus.

1.12 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 9261 6100.

2. Effect of the Offer

2.1 Capital structure on completion of the Offer

The capital structure of the Company on completion of the Offer is set out below.

	Shares	Convertible Notes ⁽¹⁾	Listed Options	Unlisted Options
Existing	352,313,556	103,443,677	79,986,074	4,821,000
Minimum Subscription under the Offer	-	27,272,730	9,090,910 ⁽³⁾	-
To be issued to Secured Creditor ⁽²⁾	-	-	-	3,000,000 ⁽²⁾
Total number of Securities on issue following minimum subscription	352,313,556	130,716,407	89,076,984	7,821,000
Additional Securities to be issued if Offer fully subscribed	-	20,454,570	6,818,190 ⁽³⁾	-
Total number of Securities on issue if Offer fully subscribed	352,313,556	151,169,977	95,895,174	7,821,000

1. Each Convertible Note converts into 1 Share.

2. To be issued subject to the restructure of the existing Secured Facilities being completed. See Section 4.15 for terms and conditions.

3. Refer Section 4.16 for terms and conditions of Listed Options.

2.2 Use of funds

Funds raised from the Offer will be utilised primarily as set out below.

	27,272,730 Convertible Notes issued	47,727,300 Convertible Notes issued
Projected use of funds raised	\$'000	\$'000
Repayment of Secured Facilities ⁽¹⁾	9,826	9,826
Working Capital ⁽²⁾	9,094	23,339
Expenses of Offer	1,080	1,835
Total	20,000	35,000

1. The proposed repayment of a portion of the cash advance facility is US\$8,000,000 which has been converted to an A\$ equivalent in the above table using the USD/AUD exchange rate prevailing at 30 June 2009 of 0.8142. If the proposed repayment does not occur the funds will be reallocated to working capital. For more details refer to Section 2.4.

2. Funds raised for working capital purposes will be utilised for the ramp up of the Syama Project, development of the Mt Wright Project, general exploration expenditure and working capital requirements of the Company. Priority will be given to the ramp up of the Syama Project. If only the minimum subscription is received the Company may not be able to immediately allocate funds to advance its other discretionary projects.

2.3 Pro forma balance sheets

	<i>Unaudited</i> Jun-09 \$'000	Pro forma Adjustments <i>Unaudited</i> Minimum \$'000	Pro forma Accounts <i>Unaudited</i> Jun-09 \$'000 Minimum	Pro forma Adjustments <i>Unaudited</i> Maximum \$'000	Pro forma Accounts <i>Unaudited</i> Jun-09 \$'000 Maximum
Current Assets					
Cash and cash equivalents	12,701	9,094	21,795	14,243	36,038
Receivables	4,653	-	4,653	-	4,653
Inventories	75,265	-	75,265	-	75,265
Available for sale financial assets	1,107	-	1,107	-	1,107
Other	6,258	-	6,258	-	6,258
Total Current Assets	99,984	9,094	109,078	14,243	123,321
Non Current Assets					
Receivables	5,557	-	5,557	-	5,557
Financial derivative assets	6,457	-	6,457	-	6,457
Exploration and evaluation	8,928	-	8,928	-	8,928
Development expenditure	396,534	-	396,534	-	396,534
Property, plant and equipment	103,017	-	103,017	-	103,017
Deferred expenditure	17,188	-	17,188	-	17,188
Other	1,408	-	1,408	-	1,408
Total Non Current Assets	539,089	-	539,089	-	539,089
Total Assets	639,073	9,094	648,167	14,243	662,410
Current Liabilities					
Payables	56,135	-	56,135	-	56,135
Interest bearing liabilities	24,277	-13,848	10,429	-	10,429
Tax liabilities	2,160	-	2,160	-	2,160
Financial derivative liabilities	52,949	-4,210	48,739	-	48,739
Provisions	6,936	-	6,936	-	6,936
Total Current Liabilities	142,457	-18,058	124,399	-	124,399
Non Current Liabilities					
Interest bearing liabilities	100,738	16,241	116,979	8,862	125,841
Provisions	30,021	-	30,021	-	30,021
Financial derivative liabilities	62,358	4,210	66,568	-	66,568
Other liabilities	193	-	193	-	193
Total Non Current Liabilities	193,310	20,451	213,761	8,862	222,623
Total Liabilities	335,767	2,393	338,160	8,862	347,022
Net Assets	303,306	6,701	310,007	5,381	315,388
Equity					
Contributed equity	209,680	-	209,680	-	209,680
Reserves	18,633	6,701	25,334	5,381	30,715
Retained profits	74,993	-	74,993	-	74,993
Total Equity	303,306	6,701	310,007	5,381	315,388

Basis of Preparation

The pro forma balance sheet is based on the unaudited balance sheet as at 30 June 2009 that has then been adjusted to reflect the following proforma adjustments:

		27,272,730 Convertible Notes issued Minimum \$'000	47,727,300 Convertible Notes issued Maximum \$'000
(a)	Application Monies Received	20,000	35,000
	Costs of the offer	1,080	1,835
	Net Amount raised after costs	18,920	33,165
(b)	Repayment of Secured Facilities (US\$8,000,000)	9,826	9,826
(c)	The reclassification of the Secured Facilities between current and non current liabilities in accordance with the revised repayment and delivery schedule set out in Section 2.4		

2.4 Subordination of Convertible Notes and existing loan facilities

The Convertible Notes will be subordinated to the Secured Facilities which, at 30 June 2009, comprised a cash advance facility of US\$44 million (\$54.0 million), a US\$8 million (\$9.8m) deferred put option premium facility and financial derivative net liabilities (current and non current) totalling \$108.8 million. Full details of the security taken by the Senior Creditor are provided in note 16 (b) in the Company's audited financial report for the year ended 30 June 2008.

The principal amount of the Convertible Notes, all related rights, claims and payments are subordinated and postponed to and rank in priority after the Secured Facilities. The Company may not repay the Convertible Notes until the debt owed to the Senior Creditor under the Secured Facilities is repaid in full. Further interest may not be paid on the Convertible Notes where there is a default or potential default under the terms of the Secured Facilities. A detailed summary of the terms of the Subordination Deed are in Section 4.4.

A \$10 million standby credit facility included in the pro forma balance sheet is currently unsecured, but this financier has the right to take second ranking security relating to this loan. The Trust Deed contemplates that this debt may become secured and rank in priority to the Convertible Notes. In addition, pursuant to the terms of the Trust Deed, the secured borrowings can be increased by a further US\$25 million without the consent of the Trustee. Any increase in secured borrowings above this level requires the Trustee's consent. The provider of the \$10 million standby credit facility has the option to convert the amount owing into Convertible Notes.

The Company has entered into a conditional agreement with the Senior Creditor to restructure the Secured Facilities. The restructure is conditional upon (amongst other items) the following key events:

- i) evidence that the Company has received not less than \$20 million in available cash from the issue after 29 June 2009 of equity, or subordinated convertible notes, by the Company;
- ii) confirmation that not less than US\$8 million in freely available cash has been applied towards prepayment of the debt owing to the Senior Creditor;

- iii) implementation of a new hedging program that protects an additional 20,000 ounces of gold production in calendar 2010 and defers 10,000 ounces of forward sales currently due for settlement in fiscal 2010 until the December 2011 quarter;
- iv) the Company issuing 3,000,000 unlisted Options to the Senior Creditor with a 3 year term and an exercise price set at a 15% premium to the lesser of the Company's volume weighted average share price for the 30 day period ended 30 June 2009 and the lowest subscription price per share of any new shares issued after 30 June 2009 but prior to the restructure being completed.

Following completion of the restructure, the amounts owing under the cash advance facility and deferred put option premium facility portions of the Secured Facilities will be repayable in line with the following amortisation schedule:

<i>Date</i>	<i>Amount Repayable US\$'000</i>	<i>Remaining Balance US\$'000</i>
<i>Owing at 30 June 2009</i>		<i>52,051</i>
<i>Restructure date</i>	<i>8,000</i>	<i>44,051</i>
<i>31 December 2009</i>	<i>1,100</i>	<i>42,951</i>
<i>30 June 2010</i>	<i>1,375</i>	<i>41,576</i>
<i>31 December 2010</i>	<i>3,090</i>	<i>38,486</i>
<i>30 June 2011</i>	<i>15,420</i>	<i>23,066</i>
<i>31 December 2011</i>	<i>15,730</i>	<i>7,336</i>
<i>30 June 2012</i>	<i>4,586</i>	<i>2,750</i>
<i>10 December 2012</i>	<i>2,750</i>	<i>-</i>

If the conditions precedent to the restructure are not satisfied and the debt is therefore not restructured, the cash advance facility and deferred put option premium facility portions of the Secured Facilities as at 30 June 2009 will be repayable in line with the following amortisation schedule:

<i>Date</i>	<i>Amount Repayable US\$'000</i>	<i>Remaining Balance US\$'000</i>
<i>Owing at 30 June 2009</i>		<i>52,051</i>
<i>31 December 2009</i>	<i>5,500</i>	<i>46,551</i>
<i>30 June 2010</i>	<i>8,250</i>	<i>38,301</i>
<i>31 December 2010</i>	<i>10,240</i>	<i>28,061</i>
<i>30 June 2011</i>	<i>7,470</i>	<i>20,591</i>
<i>31 December 2011</i>	<i>7,755</i>	<i>12,836</i>
<i>30 June 2012</i>	<i>7,336</i>	<i>5,500</i>
<i>10 December 2012</i>	<i>5,500</i>	<i>-</i>

The cash advance facility is a revolving corporate credit facility. If the Company repays amounts in excess of that required by the above amortisation schedule, it has the ability (subject to satisfying the relevant conditions of the Secured Facilities) to re-draw up to a level equal to the remaining balance shown in the table above. The interest rate payable on the cash advance and deferred put option premium facility portions of the Secured Facilities and is fixed for periods of 1, 3 or 6 months (or other such periods agreed to by the Senior Creditor), and is subsequently re-set for similar periods upon the expiry of that interest rate period.

Upon satisfaction of the conditions precedent to the restructure, 10,000 ounces of forward gold sales contracts with a mark to market valuation at 30 June 2009 of \$4.2m (included in the Financial derivatives liabilities section of the proforma balance sheet in Section 2.3) will be reclassified from current liabilities to non current liabilities. In the event that the conditions precedent to the restructure are not satisfied, the amortisation schedule will remain as previously published.. Full details of the financial derivative liabilities were provided in the

Company's quarterly report for the quarter ended 30 June 2009. The value of the financial derivative liabilities will change with movements in the gold price and other relevant market variables.

2.5 Market price of Securities

The highest and lowest market sale prices of the Company's Securities on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the most recent date of the respective sales were:

	Ordinary Shares		Listed Options		Convertible Notes	
	Price	Date	Price	Date	Price	Date
Highest	\$0.755	15/6/2009	\$0.385	15/6/2009	\$0.85	15/6/2009
Lowest	\$0.52	9/7/2009	\$0.22	13/7/2009	\$0.67	2/7/2009
Most recent	\$0.63	7/9/2009	\$0.31	26/8/2009	\$0.70	26/8/2009

2.6 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

2.7 Contingent Assets and liabilities

Details relating to contingent assets and contingent liabilities are set out in the Full Year Statutory Accounts lodged with ASX on 30 September 2008 and the Half Year Report Lodged with ASX on 26 February 2009.

3. Risk factors

An investment in Securities offered by this Prospectus should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company.

The Directors consider that the following summary, which is not exhaustive, represents some of the specific risk factors which potential investors need to be aware of in evaluating the Company's business and risks of an investment or increasing your investment in the Company. Investors should carefully consider the following factors.

3.1 Specific Risks

(a) Future capital requirements

The Company's growth through expansion of its current business will require substantial expenditures. There can be no guarantees that the Company's cash reserves together with funds raised from the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer, existing working capital and funds generated from operations, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse affect on the Company's activities.

(b) Syama Production, Recoveries and Ore Grade Risk

A significant portion of the Company's future cashflows are to be derived from the Syama Project. The Company's production schedule at the Syama Project involves a progressive ramp up to optimum rates of production and gold extraction. There is a risk that for a number of reasons, some which may be out the Company's control that the ramp up to optimum rates may be delayed or not achieved at all. There is also a risk that the gold grades contained in the mined ore or recoveries from the ore processing may not be as high as expected resulting in optimum rates not being achieved. Not being able to achieve a ramp up to optimal production rates within the timeframes planned or not being able to achieve expected gold grades or recoveries may have a material adverse effect on the Company's business, financial condition, results of operations and future cashflows.

(c) Nature of Convertible Notes

The Convertible Notes are a form of unsecured debt. Accordingly, Noteholders will rank equally with all other ordinary unsecured creditors and will rank below secured creditors. In the event of a winding up, Noteholders will only have a right to repayment of the face value and any interest payable in accordance with the conditions of the Convertible Notes after all secured creditors, and any secured creditors preferred by law, have been paid in full. If there is a shortfall in funds on winding up the Company, Noteholders may not receive repayment of the face value or any interest payable in accordance with the terms of the Convertible Notes.

The interest payable in accordance with the terms of the Convertible Notes is at the fixed rate of 12% per annum on the \$0.50 face value of the Notes. The market for

interest rates is volatile and there is a risk that the level of interest rates may increase, making the interest rate payable on the Convertible Notes less attractive when compared to other rates of return available.

The Convertible Notes may trade at a price below the face value. In particular, the price at which the Convertible Notes trade may be affected by market sentiment arising from such factors including changes in interest rates, taxation implications and economic conditions and movements in the Australian and international financial markets. The price at which the Convertible Notes trade may also be affected by the price of the Shares of the Company.

The market for Convertible Notes on ASX may be less liquid than the market for the Shares of the Company. As a result, Noteholders may not be able to sell their Convertible Notes at a price that is in accordance with their expectations, or at all, if there is insufficient liquidity.

Under the Convertible Note terms, the Company may redeem the Convertible Notes on the occurrence of a takeover event, even if it is before the maturity date. This may be disadvantageous to Noteholders in light of interest rates, market conditions or individual circumstances at the time.

The Convertible Notes have an interest rate of 12% per annum on the \$0.50 face value of the notes. Assuming the Offer is fully subscribed, interest per annum on all of the Convertible Notes that will be on issue is \$9.2 million. The Company has the ability to defer the payment of interest on the Convertible Notes prior to any interest payment date until 31 December 2011. There is a risk that the Company may not have sufficient funds to pay interest which becomes due and payable on the Convertible Notes. The Company has the ability to elect to issue Shares in satisfaction of the payment of interest which it did for the first interest payment on 30 June 2009. If the Company elects to issue Shares in payment of interest there is a risk that the price of Shares may trade lower than the price at which the Company issues the Shares to Noteholders in satisfaction of interest. Further the issue of Shares in satisfaction of the payment of interest will have a dilutionary effect on the holdings of existing Shareholders.

(d) Negative Pledge and subordination of Convertible Notes

Under the terms of the Trust Deed and Subordination Agreement the Company has agreed to certain negative pledge arrangements and to the subordination of the amounts outstanding under the Convertible Notes to the Senior Creditor debt facility.

Further the face value of the Convertible Notes cannot be repaid until the Senior Creditor debt facility is repaid in full. Interest on the Convertible Notes can not be paid where there is a default or potential default under the terms of the Senior Creditor debt facility. This may effect the timing and ability of Noteholders to be paid interest and be repaid the face value of the Convertible Notes.

While the Convertible Notes are on issue these arrangements may restrict the Company's ability to enter into financing arrangements in the future in that it caps the secured financial indebtedness the Company may have.

The inability of the Company to raise further amounts utilising the debt markets may have a material impact on its ability to develop its projects successfully and on the Company's overall business and financial condition.

(e) Tanzania and Mali sovereign risk

The Company's Mali and Tanzanian projects are subject to the risks associated in operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation,

working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity.

Any future material adverse changes in government policies or legislation in Mali or Tanzania that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company.

(f) Legal systems in Mali and Tanzania

The legal systems operating in Mali and Tanzania may be less developed than more established countries, which may result in risk such as:

- (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute;
- (ii) a higher degree of discretion on the part of governmental agencies;
- (iii) the lack of political or administrative guidance on implementing applicable rules and regulations including, in particular, as regards local taxation and property rights;
- (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (v) relative inexperience of the judiciary and court in such matter.

The commitment by local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, license application or other legal arrangements will not be adversely affected by the actions of the government authorities or others and the effectiveness of and enforcement of such arrangements cannot be assured.

(g) Hedging arrangements

The Company has entered into various hedging arrangements including gold options and gold forward contracts to manage the risks associated with gold price fluctuations.

The use of these kinds of arrangements requires the Company to produce and deliver gold to satisfy the contracts. If there is an interruption to production or insufficient gold is produced by the Company it will not be able to fulfil its obligations. This may require it to purchase gold on the spot market. There is a risk that gold may have to be purchased at a higher price than the Company receives under its hedging arrangements which may have a material impact on the Company's business, financial condition, results of operations and cashflows.

(h) Diesel fuel costs

At the Syama project the Company has developed its own power generation plant fired by diesel fuel. In addition the Company provides diesel fuel for the operation of a large fleet of mobile mining equipment powered by diesel fuel.

The cost of diesel fuel forms a significant proportion of the Company's operating costs.

The price of diesel fuel has fluctuated widely in recent years and may continue to fluctuate significantly in the future.

Fluctuations in diesel prices and, in particular, a material increase in the price of diesel fuel, may have a material adverse effect on the Company's business, financial condition, results of operations and cashflows.

(i) Global Credit and Investment Markets

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including ASX). This may impact the price at which the Company's Securities trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(j) Gold price volatility and foreign exchange risk on revenues and expenses

The revenue the Company derives through the sale of gold exposes the income of the Company to gold price risks.

Gold prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for gold, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, the gold price is also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, gold as well as general global economic conditions. These factors may have an adverse effect on the price the Company receives for its gold.

Furthermore, the price of gold and a significant portion of the Company's operating expenses are denominated in United States dollars whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(k) General Environmental Risks

Mining is an industry which has become subject to increasing environmental responsibility and liability. The potential liability is an ever-present risk. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining or other activities for which it has not been responsible.

(l) Resource and Reserve Estimates

Resource and Reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, resource and reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

Should the Company encounter mineralisations or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(m) Securityholder Margin Lending arrangements

Securityholders may, from time to time, enter into margin lending arrangements for the purchase of Securities in the Company on terms and conditions not known to the Company.

The Directors are unable to predict the risk of financial failure or default by a Securityholder who has entered into such an arrangement or insolvency or other Managerial failure by any party who may have provided such an arrangement to the Securityholder. Such an event may lead to parcels of Securities being made available for sale which may impact negatively on the price of the Company's Securities.

(n) Taxation and government regulations

Changes in taxation and government legislation in a range of areas (for example, Corporations Act, accounting standards, and taxation law) can have a significant influence on the outlook for companies and the returns to investors.

The recoupment of taxation losses accrued by the Company is subject to the satisfaction of tests outlined in taxation legislation or regulations in the jurisdictions in which the Company operates. There is no guarantee that the Company will satisfy all of these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cashflows of the Company.

(o) Reliance on key personnel

The Company is reliant on its management. The loss of one or more of these individuals could adversely affect the Company.

In addition, the Company's ability to manage growth effectively will require it to continue to implement and improve its management systems and to recruit and train new employees and consultants. Although the Company expects to be able to do so in the future, there can be no assurance that the Company will be able to attract and retain skilled and experienced personnel and consultants.

(p) Joint venture parties, contractors and agents

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is, or may become a party; or insolvency or other Managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or other Managerial failure by any of the other service providers used by the Company for any activity.

(q) Exploration, development, mining and processing risks

Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable ore resources;
- (ii) successful conclusions to bankable feasibility studies;
- (iii) access to adequate capital for project development;
- (iv) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (v) securing and maintaining title to tenements;

- (vi) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants; and
- (viii) adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from development of tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

(r) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) Identifying a metallurgical process through testwork to produce a saleable metal and/or concentrate;
- (ii) Developing an economic process route to produce a metal and/or concentrate; and
- (iii) Changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(s) Operational and technical risks

The current and future operations of the Company, including exploration, appraisal and production activities may be affected by a range of factors, including:

- (i) geological, geotechnical and hydrogeological conditions;
- (ii) limitations on activities due to seasonal weather patterns and cyclone activity;
- (iii) alterations to joint venture programs and budgets;
- (iv) unanticipated operational and technical difficulties encountered in survey, drilling and production activities;
- (v) electrical and mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events;
- (vi) unavailability of aircraft or drilling equipment to undertake airborne surveys and other geological and geophysical investigations;
- (vii) the supply and cost of skilled labour;
- (viii) unexpected shortages or increases in the costs of water, consumables, diesel fuel, tyres, spare parts and plant and equipment;
- (ix) prevention or restriction of access by reason of political unrest, outbreak of hostilities and inability to obtain consents or approvals (including clearance of work programs pursuant to the existing and any future access agreements entered into with the registered Aboriginal Land Council and the Native Title claimants); and

- (x) the theft of gold from its operations

The Company has a policy of obtaining insurance for environmental and other operational risks where appropriate, taking into consideration the availability of cover and premium costs and where required under its contractual commitments. There can be no assurance, however, that the Company will be able to obtain or maintain such insurance coverage at reasonable rates (or at all), or that any coverage it has or obtains will be adequate and available to cover any such claims

- (t) Title, Tenure and Access

All mining tenements and licences which the Company owns or may acquire either by application, sale and purchase or farm-in are regulated by the applicable mining legislation. There is no guarantee that applications will be granted as applied for (although the Company has no reason to believe that the tenements or licenses will not be granted in due course). Various conditions may also be imposed as a condition of grant. In addition a relevant minister or government agency may need to consent to any transfer of tenements to the Company.

Renewal of titles or licences is made by way of application to the relevant department. There is no guarantee that a renewal will be automatically granted other than in accordance with the applicable mining legislation. In addition, the relevant minister or government agency may impose conditions on any renewal, including relinquishment of ground.

3.2 General Risks

- (a) Securities Investment

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's Securities trade may be above or below the issue price, and may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. These factors may materially affect the market price of the Securities, regardless of the Company's operational performance.

- (b) Share Market Conditions

The market price of the Securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for securities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

- (c) General Economic Climate and Share Market Conditions

Factors such as global credit risks, inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, commodity prices and stock market prices. The Company's future revenues and the market price for its listed securities may be affected by these factors, as well as fluctuations in the price of minerals, which are beyond the Company's control.

3.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Convertible Notes and Listed Options offered under this Prospectus. Potential investors should consider that an investment in the Company is speculative and

should consult their professional adviser before deciding whether to apply for Convertible Notes and Listed Options pursuant to this Prospectus.

4. Additional Information

4.1 Material Terms and Conditions of Convertible Notes

(a) Trust Deed and Trustee

The terms and conditions are subject to and conditional upon the terms of the Trust Deed and Subordination Deed.

(b) Terms

The Convertible Notes have a face value of \$0.50, bear interest, are convertible into Shares, redeemable where the Convertible Note is not converted and matures on the date that is four (4) years from the date the first Convertible Note is issued under the Trust Deed.

(c) Unsecured and subordinated liability

Subject to the Subordination Deed, the Convertible Notes will be an unsecured liability of the Company and will rank equally with other unsecured liabilities of the Company.

The principal amount, all related rights, claims and payments are subordinated and postponed to and rank in priority after the Company's secured facility agreements.

(d) Interest

Subject to the Subordination Deed, interest will be payable on the face value at the rate of 12% per annum, will accrue from day to day prior to the maturity date and subject to paragraphs 4.1(e) and 4.1(f), will be payable no later than 3 Business Days after the relevant interest payment date, being 30 June and 31 December each year, in respect of the interest that has accrued since the last interest payment date.

Convertible Notes issued during an interest period will be entitled to interest for the entire interest period (6 months) notwithstanding they are not on issue for the full interest period.

(e) Deferral of Interest Payment

The Company may in its absolute discretion by notice in writing to the Trustee elect to defer payment of interest prior to the any interest payment date from the next interest payment date following the giving of written notice until 31 December 2011.

(f) Issue of Shares in lieu of interest

The Company may elect to issue Shares in lieu of paying interest. The Company may only issue Shares in lieu of paying interest where it can do so in accordance with the requirements of Listing Rule 7.1 or where it obtains the prior approval of Shareholders. The issue price at which each Share will be issued is the price which is a 7.5% discount to the volume weighted average price on the 5 proceeding days on which Shares have been traded prior to the day on which interest becomes payable and \$0.0005 whichever is the greater.

(g) Payment of Interest on Conversion

If the conversion option is exercised in respect of a Convertible Note after an interest payment date but before the next interest payment date then, because interest is payable in arrears, on the next interest payment date being a date following the date of conversion the Company will pay to the Noteholder on the next interest payment date an amount of interest calculated on a pro rata basis.

(h) Payment of Interest on Redemption

If the Convertible Note is redeemed after an interest payment date but before the next interest payment date then, interest from the last interest payment date prior to the redemption event in paragraph 4.1(h) until the date on which the redemption amount is paid will be paid by the Company to the Noteholder on the date of redemption on a pro rata basis.

(i) Redemption

Subject to the Subordination Deed, a Convertible Note will be redeemed as follows:

- (i) in accordance with the terms of the Trust Deed;
- (ii) by the Company redeeming the Convertible Note early in accordance with paragraph 4.1(k);
- (iii) after a takeover offer or a change of control in accordance with paragraph 4.1(o); and
- (iv) at the maturity date,

by the Company delivering payment for the redemption amount to the Noteholder.

(j) Exclusion

The Noteholder will not be entitled to require redemption of any Convertible Notes other than pursuant to paragraphs 4.1 (h) and 4.1(i).

(k) Early Redemption by the Company

- (i) With 20 days prior notice in writing to all Noteholders, the Company may, subject to the Subordination Deed, redeem all (but not some) of the Convertible Notes at any time during the period commencing on that date which is three (3) years after the issue date of the first Convertible Notes under the Trust Deed and ending on the maturity date.
- (ii) During the period commencing on the day of receipt of the Company redemption notice by the Noteholder until the date of redemption of the Convertible Notes by the Company, the Noteholder can elect to convert their Convertible Notes into Shares in accordance with paragraph 4.1(l).
- (iii) The Company must not redeem any Convertible Notes under this paragraph 4.1(k) prior to 31 December 2011.
- (iv) Interest on the Convertible Notes will be payable on the date of redemption in accordance with paragraph 4.1(h).

(l) Conversion

- (i) A Noteholder may convert all or part of the Convertible Notes held by that Noteholder in accordance with this paragraph 4.1(l) by delivering a conversion notice to the Company.
- (ii) A Noteholder may exercise the conversion option in respect of the whole or part of the total number of Convertible Notes or in respect of the whole of the face value of a Convertible Note and not in respect of a proportion only of the face value.

- (iii) A Noteholder will only be entitled to deliver a conversion notice to the Company and exercise a conversion option between the date of issue of the Convertible Notes and before the maturity date.
- (iv) A conversion option is deemed to be exercised on the conversion notice date and for the avoidance of doubt, provided that the conversion notice date occurs prior to the maturity date, a Noteholder will be entitled to Shares upon conversion despite that the date of conversion may fall after the maturity date.
- (v) On the date of conversion, the Company will proceed to issue to the Noteholder who delivers that conversion notice that number of Shares as calculated in accordance with paragraph 4.1(m), and will notify the Noteholder accordingly.
- (vi) The issue of Shares on the date of conversion will be and be deemed for all purposes to be in full satisfaction and discharge of the face value owing to the Noteholder pursuant to the relevant convertible notes held by that Noteholder but the conversion will in no way affect any liability of the Company to pay interest on the Convertible Notes the subject of the conversion in accordance with paragraph 4.1(g).
- (vii) The Shares issued upon the date of conversion will rank equally in all respects with all issued Shares at the date of conversion.
- (viii) The Company will apply for official quotation by ASX of all Shares issued and deliver holding statements for the Shares issued.

(m) Conversion Rate

Each Convertible Note entitles a Noteholder to one (1) Share upon exercise of the conversion option.

(n) Purchase of Convertible Notes

The Company may at any time, subject to the Subordination Deed, purchase Convertible Notes in the open market, by private treaty or by tender. Convertible Notes purchased by or for the account of the Company may be cancelled or re-sold at the option of the Company.

(o) Takeover or Change in Control

If a takeover bid (as defined in the Corporations Act) is made for 50% or more of the Shares and that bidder is successful in acquiring a relevant interest in 50% or more of the Shares or there is a change in control of 50% or more of the Shares at any time after the issue of the Convertible Notes and prior to the issue of a conversion notice in respect of such Convertible Notes, then, subject to the terms of the Subordination Deed:

- (i) the Company will give to each Noteholder written notice of the takeover bid or change of control within five (5) Business Days of receiving notice of it; and
- (ii) the Noteholder must elect within seven (7) Business Days after receipt of the sale notice to either convert all the Convertible Notes held by that Noteholder to fully paid ordinary Shares in accordance with paragraph 4.1(l) or require the Company to redeem all the Convertible Notes held by that Noteholder in accordance with paragraph 4.1(i).

If no election is made under paragraph 4.1(o)(ii), within the time period specified in that clause, then the Company may in its discretion redeem all the Convertible Notes

held by that Noteholder and on redemption interest will be paid in accordance with paragraph 4.1(h).

(p) ASX Listing

The Company will apply to ASX for official quotation of the Convertible Notes.

(q) Entry in Register

The Company must ensure that each Noteholder's details are entered in a register of Noteholders.

(r) Transfer

The Convertible Notes are transferable in accordance with the Trust Deed.

(s) Participation in New Issues

There are no participation rights or entitlements inherent in the Convertible Notes and the Noteholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Convertible Notes.

(t) Pro Rata Issue

If the Company undertakes a pro rata rights issue or reconstruction then the Convertible Notes will be adjusted in accordance with the Listing Rules.

(u) Reconstruction

If there is a reconstruction (including, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the basis for conversion of the Convertible Notes will be reconstructed in the same proportion as the issued capital of the Company is reconstructed and in a manner which will not result in any additional benefits being conferred on the Noteholder which are not conferred on the shareholders of the Company (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the reconstruction of capital) and in a manner consistent with the Listing Rules but in all other respects the terms for conversion of the Convertible Notes will remain unchanged.

(v) Bonus Share Issue

If a bonus issue is made by the Company, then the number of Shares issued to each Noteholder on conversion of a Convertible Note will be increased by the number of bonus Shares that a Noteholder would have received if the Convertible Note had been converted prior to the record date for the bonus issue. No change will be made to the conversion rate in paragraph 4.1(m).

(w) Foreign holders

Where the Convertible Notes are held by persons resident outside Australia, the Company will not convert Convertible Notes or issue Shares on conversion of Convertible Notes where the conversion or issue will result in a breach of any applicable laws by the Company.

(x) Conversion of Voting Shares Precluded

The Company will not convert Convertible Notes or issue Shares on conversion of Convertible Notes where the conversion or issue will result in a breach of Australian takeovers laws or other applicable laws by the Company.

- (y) Non Voting

The Convertible Notes do not confer on Noteholders any rights to attend or vote at general meetings of Shareholders.

4.2 Trust Deed

The Company has entered into a Trust Deed with the Trustee dated 28 November 2008 and a Deed of Variation dated 18 August 2009 (**Trust Deed**). The material terms of the Trust Deed are summarised as follows:

- (a) General

The Trust Deed provides that each Convertible Note will be issued subject to conditions.

The Company and the Trustee acknowledge that the rights of the Trustee and the Noteholders are subject to the Subordination Deed.

The Trust Deed provides for the appointment and role of the Trustee and outlines the basis upon which the Convertible Notes have been issued.

The conditions of the Trust Deed are binding on the Company, the Trustee, the Noteholders and all persons claiming through or under them.

In accordance with its obligations under the Corporations Act, the Company will provide a copy of the Trust Deed to a Noteholder upon request free of charge. Noteholders are deemed to have notice of all the provisions of the Trust Deed.

- (b) Appointment of Trustee

The Trustee is appointed as trustee to perform the obligations under the Trust Deed for the benefit of Noteholders.

The Trustee holds the following in trust for the benefit of Noteholders:

- (i) the right to enforce the Company's duty to redeem or convert the Convertible Notes; and
- (ii) the rights to enforce any other duties and obligations that the Company has under the terms of the Convertible Notes, the Trust Deed and Chapter 2L of the Corporations Act.

Any action taken by the Trustee under the Trust Deed is binding on all Noteholders.

- (c) Trustee's Powers and Duties

Subject to the Trust Deed and the Corporations Act, the Trustee has all powers that are legally possible for a natural person or corporation to have in connection with the exercise of its powers under the Trust Deed.

Under the Trust Deed, the Trustee must:

- (i) exercise reasonable diligence to ascertain whether the Company has committed a breach of the terms of the Convertible Notes or the provisions of Chapter 2L of the Corporations Act;
- (ii) do everything reasonably in its power to ensure that the Company remedies any breach known to the Trustee of the terms of the Convertible Notes, the provisions of the Trust Deed or Chapter 2L of the Corporations Act unless

the Trustee is satisfied that the breach will not materially prejudice the Noteholders' interests or any security for the Convertible Notes;

- (iii) use reasonable endeavours to ensure that the Company complies with Chapter 2K of the Corporations Act (to the extent it applies to the Convertible Notes);
- (iv) the Trustee must notify ASIC as soon as practicable if the Company has not complied with section 283BE, 283BF or subsection 318(1) or (4) of the Corporations Act;
- (v) notify ASIC and the Company as soon as practicable if the Trustee discovers that it cannot be a trustee under section 283AC of the Corporations Act;
- (vi) give Noteholders a statement explaining the effect of any proposal that the Company submits to the Noteholders before any meeting that the Court calls in relation to a scheme under subsection 411(1) or (1A) of the Corporations Act or that the Trustee calls under subsection 283EB(1) of the Corporations Act;
- (vii) apply to the Court for an order under section 283HB of the Corporations Act where the Company reasonably requests it to do so. Nothing in this clause shall be construed as restricting the right of the Trustee to apply to the Court for an order under section 283HB of the Corporations Act where no request is made by the Company; and
- (viii) subject to being fully indemnified by the Company, use reasonable endeavours to comply with any directions given to it at a Noteholders meeting called under sections 283EA, 283EB or 283EC of the Corporations Act unless the Trustee is of the opinion that the direction is inconsistent with the terms of the Convertible Notes, the provisions of the Trust Deed or the Corporations Act and is otherwise objectionable and the Trustee has either obtained or is in the process of obtaining, an order from the Court under section 283HA of the Corporations Act setting aside or varying the direction.

The Trustee is not liable for anything done or omitted to be done in accordance with a direction given by the Noteholders at any meeting under sections 283EA, 283EB or 283EC of the Corporations Act.

The Trustee is not obliged to notify the Noteholders of the occurrence of any event of default under the Trust Deed or of the occurrence or existence of any contravention or non-observance of any provision of the Trust Deed.

(d) Trustee's remuneration

The Company has paid or will pay to the Trustee by way of remuneration for its services as trustee, the following:

- (i) An establishment fee of \$7,500 (exclusive of GST) payable on the date of execution of the Trust Deed;
- (ii) \$40,000 (exclusive of GST) per annum in respect of the period beginning on the date the first Convertible Notes are issued under the Trust Deed and ending on the maturity date, such amount to accrue daily and be paid quarterly in arrears;
- (iii) In the absence of agreement, the Trustee shall be entitled to charge the Company reasonable hourly rates for the time spent by the Trustee's officers and employees in relation to such enforcement action and reflect the level of expertise required and be commensurate with and referable to the hourly

rates charged at the relevant time by members of the Insolvency Practitioners Association of Australia for work of the kind being performed by the Trustee's officers and employees.

(e) Indemnity and Limitation of Trustee's liability

The Trustee is entitled to be indemnified by the Company in respect of all liabilities, charges and fees incurred by it in performing or exercising its powers or duties under the Trust Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted to be done other than to the extent arising out of its fraud, gross negligence or wilful default or that the Trustee is entitled to be indemnified for matters referred to in this paragraph by the Noteholders or individual Noteholders in the Trust Deed.

The Trustee has entered into the Trust Deed in its capacity as trustee and in no other capacity, incurs obligations solely in its capacity as Trustee and is liable only to the extent of its indemnity and the trust assets, The Trustee's liability is limited to and the Company and each Noteholder waives its rights and releases the Trustee from liability which cannot be paid or satisfied out of the trust assets.

(f) Termination of Trust

The Trust terminates on the earliest to occur of the business day immediately following conversion or redemption of all Convertible Notes or payment or repayment of all monies owing or one business day before the date that is the eightieth anniversary of the date of the Trust Deed provided that the Trust Deed will not terminate whilst there are costs, fees and/or expenses owing to the Trustee.

On termination of the Trust Deed, the Trustee must distribute the balance of the capital and income of the Trust at the direction of the Company.

(g) Obligations of the Company

The Company must:

- (i) carry on and conduct its business in a proper and efficient manner and must procure that each of its subsidiaries will do the same; and
- (ii) keep proper books of account;
- (iii) promptly give the Trustee notice of any appointment, retirement, resignation or removal of an auditor;
- (iv) provide copies of the Trust Deed to Noteholders or the Trustee upon request;
- (v) make all financial and other records available for inspection by the Trustee or its auditor;
- (vi) notify ASIC upon the replacement of the Trustee;
- (vii) provide the Trustee details of all charges after it is created and notify the Trustee if the total amount to be advanced on the security of the charge is indeterminate and the advances are not merged in a current account with bankers, trade creditors or anyone else;
- (viii) notify the Trustee when Convertible Notes are issued and provide the Trustee quarterly reports;
- (ix) notify the Trustee in writing of the occurrence of any event of default;

- (x) not incur any secured financial indebtedness other than as permitted under the Trust Deed;
 - (xi) provide the Trustee with such information as the Trustee reasonably requests including annual and half yearly financial reports;
 - (xii) to comply with the provisions of the Trust Deed, the conditions of the Convertible Notes and the Constitution;
 - (xiii) convene a meeting of Noteholders if called by Noteholders representing 10% of the principal amount of Convertible Notes outstanding;
 - (xiv) do everything necessary to preserve the corporate existence of itself and of each subsidiary;
 - (xv) comply and upon request by the Trustee, do anything reasonably required by the Trustee to comply with all relevant legal requirements in relation to the Convertible Notes, the Corporations Act, the Listing Rules and ASTC Settlement Rules; and
 - (xvi) upon written request of the Trustee, at the Company's cost, appoint a duly qualified expert to value the Company's assets and provide a copy of the valuation to the Trustee.
- (h) Events of Default

The Trust Deed specifies the following as events of default:

- (i) non payment of any amounts owing in respect of the Convertible Notes for a period of 15 Business Days after written demand for those monies is made by the Trustee or any Noteholder;
- (ii) if the Company or any subsidiary of the Company in the reasonable opinion of the Trustee commits a material breach of a covenant, condition or obligation imposed on it by the Trust Deed or the conditions of the Convertible Notes and that breach is incapable of remedy and is reasonably likely to have a material adverse effect on the ability of the Company to observe its obligations to Noteholders or, if the default is capable of remedy, the default remains unremedied for 25 Business Days after a request is given by the Trustee to remedy the breach;
- (iii) if the Company is suspended from trading on the ASX for more than 20 consecutive business days;
- (iv) a secured creditor of the Company or a subsidiary of the Company exercises its security in relation to its debt;
- (v) if an order is made or a resolution is passed for the winding up of the Company;
- (vi) if the Company enters liquidation; or
- (vii) if the Company or a subsidiary of the Company enters into any arrangement, reconstruction or a composition with its creditors without the prior written consent of the Trustee.

Upon the occurrence of an event of default the Trustee may issue redemption notices requiring the Company to redeem the Convertible Notes. Further, the Trustee on behalf of Noteholders may call a meeting of Noteholders, commence proceedings for the winding up of the Company and prove in the liquidation of the Company.

Whether or not an event of default has occurred, no Noteholders may demand, plead or seek to enforce, directly or indirectly, including by way of set off or counterclaim, or in any other matter, the payment of obligations of the Company in respect of the Convertible Notes other than in accordance with the Trust Deed.

(i) Noteholder meetings

Under the Trust Deed, the Trustee or the Company may convene a meeting of Noteholders by giving not less than 21 business days prior notice to Noteholders and the auditor. Such notice may be given either personally, by post, by facsimile or by the Company (at request of the Trustee) posting the notice on its website or by the Trustee posting the notice on its website.

Noteholders who own not less than 10% in value of the principal amount outstanding under the Convertible Notes on issue may require the Company to convene a meeting of Noteholders. In these circumstances, the meeting must be convened by giving at least 21 business days notice.

At every meeting of Noteholders, each Noteholder is entitled, on a show of hands, to one vote. On a poll, each Noteholder is entitled to one vote in respect of every Convertible Note held by that Noteholder.

4.3 Terms and Conditions of Listed Options

(a) Entitlement

The Listed Options entitle the holder to subscribe for one (1) unissued Share upon the exercise of each Listed Option.

(b) Issue Price

The issue price of each Listed Option will be \$0.10.

(c) Exercise Price

The exercise price of each Listed Option will be \$0.60.

(d) Expiry Date

The Listed Options will expire on 31 December 2011.

(e) Exercise Period

The Listed Options are exercisable at any time on or prior to the Expiry Date.

(f) Notice of Exercise

The Listed Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Listed Option being exercised. Any notice of exercise of a Listed Option received by the Company will be deemed to be a notice of the exercise of that Listed Option as at the date of receipt.

(g) Shares issued on exercise

Shares issued on exercise of the Listed Options rank equally with the Shares of the Company.

(h) Quotation of Shares on exercise

Application will be made by the Company to ASX for official quotation of Shares issued upon the exercise of the Listed Options.

(i) Timing of issue of Shares

After a Listed Option is validly exercised, the Company must as soon as possible:

- (i) issue the Share; and
- (ii) do all such acts matters and things to obtain:
 - (A) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Listed Option; and
 - (B) receipt of cleared funds equal to the sum payable on the exercise of the Listed Options.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Listed Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Listed Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give Optionholders the opportunity to exercise their Listed Options prior to the date for determining entitlements to participate in any such issue.

(k) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Listed Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Listed Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Listed Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

O = the old Exercise Price of the Listed Option.

E = the number of underlying Shares into which one (1) Listed Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N - the number of Shares with rights or entitlements that must be held to receive a right to one (1) new Share.

(m) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) Quotation of Listed Options

Application for quotation of the Listed Options will be made by the Company.

(o) Listed Options transferable

The Listed Options are transferable.

4.4 Rights attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) Voting

At a general meeting, on a show of hands every Shareholder present in person has 1 vote. At the taking of a poll, every Shareholder present in person or by proxy and whose Shares are fully paid has 1 vote for each of his or her Shares. On a poll, the holder of a partly paid share has a fraction of a vote with respect to the share. The fraction is equivalent to the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited).

(b) General Meetings

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, financial statements and other documents required to be sent to Shareholders under the Constitution of the Company, the Corporations Act and the Listing Rules.

(c) Dividends

The Directors may pay to Shareholders any interim and final dividends as, in the Directors' judgement, the financial position of the Company justifies. The Directors may fix the amount, the record date for determining eligibility and the method of payment. All dividends must be paid to the Shareholders in proportion to the number and the amount paid on the Shares held.

(d) Transfer of Shares

Generally, all Shares in the Company are freely transferable subject to the procedural requirements of the Constitution, and to the provisions of the Corporations Act, the Listing Rules and the ASTC Operating Rules. The Directors may decline to register an instrument of transfer received where the transfer is not in registrable form or where refusal is permitted under the Listing Rules or the ASTC Operating Rules. If the Directors decline to register a transfer the Company must give reasons for the

refusal. The Directors must decline to register a transfer when required by the Corporations Act, the Listing Rules or the ASTC Operating Rules.

(e) Variation of Rights

The Company may only modify or vary the rights attaching to any Shares with the prior approval by a special resolution of the Shareholders, or with the written consent of the holders of at least three-fourths of the issued Shares.

(f) Directors

The minimum number of Directors is three. Currently, there are four Directors. Directors, Other than the managing Director must retire on a rotational basis so that 1-third of Directors must retire at each annual general meeting. Any other Director who has been in office for three or more years must also retire. A retiring Director is eligible for re-election. The Directors may appoint a director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next annual general meeting.

(g) Decisions of Directors

Questions arising at a meeting of Directors are decided by a majority of votes. The Chairman has a casting vote.

(h) Issue of Further Shares

Subject to the Constitution, the Corporations Act 2001 and the Listing Rules, the Directors may issue, or grant options in respect of, Shares to such persons on such terms as they think fit. In particular, the Directors may issue preference shares, including redeemable preference shares, and may issue shares with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and participation in surplus on winding up.

(i) Officers' Indemnity

To the full extent permitted by the law and to the extent not covered by insurance, the Company must indemnify each officer of the Company against all losses and liabilities incurred by the person as an officer of the Company, including costs and expenses incurred in defending proceedings in which judgement is given in favour of the person or in which the person is acquitted or in connection with relief granted to the person in an application under the Corporations Act 2001 in respect to such proceedings.

(j) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting. At least 28 days' notice of the intention to propose the special resolution must be given.

(k) ASX Listing Rules Prevail

To the extent that there are any inconsistencies between the Constitution and the Listing Rules, the Listing Rules prevail.

4.5 Material Terms and Conditions of Subordination Deed

(a) Subordination

The debt owing under the Notes is subordinated to the Senior Creditor's debt. If the Trustee receives any payment that could be applied against the debt owed to Noteholders, the Trustee must hold those funds (to the extent that they are less than

the amount owed to the Senior Creditor) on trust for the Senior Creditor or remit the funds to the Senior Creditor.

(b) Subordination on insolvency event

If an insolvency event occurs in relation to the Company then the debt owed to Noteholders becomes immediately due and payable and the Senior Creditor may act on behalf of the Trustee to claim, enforce, collect and otherwise deal with that debt.

(c) No repayment of Convertible Note until Senior Creditor is paid out

Other than by converting the Convertible Notes, the Company may not repay the Convertible Notes without the Senior Creditor's consent until the senior debt of the Senior Creditor is repaid in full.

(d) Company Restraints

Without the consent of the Senior Creditor, the Company may not:

- (i) discharge any part of the debt owed to Noteholders other than the payment of interest or by the conversion of the Convertible Notes;
- (ii) create or permit to be created any security interest over any property that secures the Convertible Notes (although it is noted that there is no security proposed for the Convertible Notes);
- (iii) merge or consolidate into or with any other person; or
- (iv) take or omit to take any action that may impair the Senior Creditor's rights under the Subordination Deed.

(e) Junior Creditor receiving payments

Without the consent of the Senior Creditor, the Trustee may not:

- (i) (other than by conversion of the Convertible Notes):
 - (A) receive payment or repayment of or any distribution in respect of or account of, or otherwise dispose of, the debt owed to Noteholders for cash or any other type of consideration (including set-off);
 - (B) apply any money or property in discharge of the debt owed to Noteholders (including by way of set-off),other than for the payment of interest;
- (ii) create or permit to be created any security interest over any property that secures the Convertible Notes (although it is noted that there is no security proposed for the Convertible Notes);
- (iii) permit any negotiable instrument to evidence the debt owed to Noteholders unless that instrument is expressed on its face to be subject to the Senior Creditor's rights under the Subordination Deed or the instrument is deposited with the Senior Creditor.

(f) Interest on Convertible Notes

Despite the subordination in paragraph (a), the Senior Creditor has permitted the Trustee to pay interest on the Convertible Notes to the Convertible Noteholders out of moneys which would otherwise have been available for the payment of dividends provided that:

- (i) there is no event of default or potential event of default under the Senior Creditor debt facility; and
- (ii) that neither the Company or the Trustee are in breach of the Subordination Deed.

For the avoidance of doubt, the Trustee cannot pay interest on the Convertible Notes to the Convertible Noteholders if there is an event of default or potential event of default under the Senior Creditor debt facility, or either the Company or the Trustee are in breach of the Subordination Deed.

- (g) No amendment of Trust Deed or Notes

The Company and the Trustee can not alter the Trust Deed or the terms of the Convertible Notes without the consent of the Senior Creditor.

- (h) Notification

The Company will notify the Senior Creditor of any Noteholders' meetings. These meetings must be held on no less than 25 Business Days notice.

- (i) Limited Liability

The Trustee and the Senior Creditor enter into the Subordination Deed as trustees and in no other capacity. Their liabilities are limited to recovery against their trust property, and only to the extent that the Trustee/Senior Creditor can recover under their right of indemnity out of the relevant trust assets.

4.6 Directors' interests in Company Securities

The Directors or their nominees currently each hold Shares in the Company as follows:

	Ordinary Shares	Convertible Notes	Options
Peter Huston	401,421	-	26,761
Peter Sullivan	3,157,008	200,000	133,333
Tom Ford	14,208	200,000	133,333
Henry (Bill) Price	18,638	100,000	67,554

4.7 Directors' participation in the Offer

The Directors or their nominees are not participating in the Offer.

4.8 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules of ASX.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.9 below).

4.9 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer, a copy of:

- (a) the Full Year Statutory Accounts containing the financial statements of the Company for the financial year ended 30 June 2008, being the last financial year for which financial statements were lodged with ASIC in relation to the Company on 30 September 2008;
- (b) the Half Year Report for the half ended 31 December lodged with ASX in 26 February 2009; and
- (c) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Full Year Statutory Accounts referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date Lodged	Subject of Announcement	Date Lodged	Subject of Announcement
07/09/2009	Syama August Progress	4/02/2009	Substantial Shareholder Notices for CHN
04/09/2009	Capital Raising	402/2009	Capital Raising - Appendix 3B
04/09/2009	Reinstatement to Official Quotation	3/02/2009	Additional Share Placement
01/09/2009	Suspension from Official Quotation	4/02/2009	Capital Raising - Appendix 3B
28/08/2009	Trading Halt	23/01/2009	Share Placement
27/08/2009	Preliminary Final Report	23/01/2009	Quarterly Report on activities
21/08/2009	Response to ASX Query	8/01/2009	Ceasing to be a substantial holder from CBA
17/08/2009	Reserve and Resource Statement 09	8/01/2009	Becoming a substantial holder from CBA
07/08/2009	Change of Director's Interest Notice	5/01/2009	Change of Directors Interest Notices
07/08/2009	Syama July Progress	5/01/2009	Holding Statements dispatched
23/07/2009	Quarterly Activities Report	2/01/2009	Reinstatement to Official Quotation before trading 05/01/09
20/07/2009	Appendix 3B	2/01/2009	Holding Statement Dispatch Dates
15/07/2009	Syama Commissioning Update	2/01/2009	Top 20 and Spread for New Securities
30/06/2009	Appendix 3B	2/01/2009	Capital Raising Completed
30/06/2009	Supplementary Cleansing Prospectus	22/12/2008	EGM Voting Details
29/06/2009	Shareholders Meeting Voting Details	11/12/2008	Convertible Note Trust Deed
15/06/2009	Milestone Gold Pour at Syama Gold Mine	10/12/2008	Convertible Note and Pro rata Share Offer
9/06/2009	Convertible Note Interest Payment	10/12/2008	Supplementary Prospectus - Convertible Note Offer
5/06/2009	SandP Announces June SP/ASX Index Rebalance	28/11/2008	Prospectus - Convertible Note Offer
28/05/2009	Notice of Shareholder Meeting	28/11/2008	Letter to Shareholders
27/05/2009	Ceasing to be a substantial holder	27/11/2008	Prospectus – Pro rata Offer
21/05/2009	Appendix 3B	25/11/2008	Offer – Appendix 3B
21/05/2009	Change in substantial holding	25/11/2008	AGM Voting Details 2008
19/05/2009	Cleansing Prospectus	25/11/2008	CEO Presentation at AGM
15/05/2009	Syama Commissioning Update and Fundraising	25/11/2008	Gold Pour at Syama
15/05/2009	Reinstatement to Official Quotation	18/11/2008	Notice of General Meeting
15/05/2009	Suspension from Official	18/11/2008	Offer

	Quotation		
12/05/2009	Trading Halt	11/11/2008	Market Update - Offer
23/04/2009	Quarterly Activities Report	29/10/2008	Quarterly Report of Activities
22/04/2009	Incident at Golden Pride	28/10/2008	Market Update - Offer
09/04/2009	Appendix 3B	24/10/2008	Annual Report and Notice of Annual General Meeting
17/03/2009	Syama Commissioning Underway	22/10/2008	Suspension from Official Quotation
26/02/2009	Half Year Report	20/10/2008	Company request for trading halt
18/02/2009	Change in substantial holding	20/10/2008	Trading Halt
16/02/2009	Change in substantial holding	13/10/2008	Letter to S/holders - Renounceable Rights Issue
9/02/2009	Change in substantial holding	10/10/2008	Notice under section 708AA of the Corporations Act 2001
6/02/2009	Ceasing to be a substantial holder	09/10/2008	Fund Raising Activities
6/02/2009	Becoming a substantial holder	09/10/2008	Reinstatement to Official Quotation
5/02/2009	Sale of Challenger Royalty	07/10/2008	Suspension from Official Quotation
5/02/2009	Ceasing to be a substantial holder for LTR	03/10/2008	Trading Halt
5/02/2009	Ceasing to be a substantial holder for CHN		

The following documents are available for inspection throughout the offer period of this Prospectus during normal business hours at the registered office of the Company at 4th Floor BGC Centre, 28 The Esplanade, Perth, Western Australia:

- (d) this Prospectus;
- (e) the Trust Deed;
- (f) the Constitution; and
- (g) the consents referred to in Section 4.18 and the consents provided by the Directors to the issue of this Prospectus.

4.10 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

4.11 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

4.12 Directors' interests

Except as disclosed in this Prospectus, no Director, and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or

- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

4.13 Directors remuneration

Shareholders have approved an aggregate amount of up to \$300,000 to be paid as Directors' fees.

Directors received the following remuneration for the preceding two financial years:

2009

Director	Base Remuneration	Non-Monetary Benefits	Superannuation	Total
Peter Huston	150,000	-	-	150,000
Peter Sullivan	570,175	50,214	68,421	688,810
Tom Ford	42,049	-	12,951	55,000
Henry (Bill) Price	1,200	-	53,800	55,000

2008

Director	Base Remuneration	Non-Monetary Benefits	Superannuation	Total
Peter Huston	150,000	-	-	150,000
Peter Sullivan	519,000	61,337	62,280	642,617
Tom Ford	25,229	-	29,771	55,000
Henry (Bill) Price	1,200	-	53,800	55,000

4.14 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Convertible Notes offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Convertible Notes offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Convertible Notes offered under this Prospectus.

Hardy Bowen has acted as lawyers to the Company in relation to the Offer and will receive approximately \$20,000 (not including GST) for legal services rendered to the Company in

connection with Offer. In the past two years Hardy Bowen has received approximately \$385,000 for the provision of legal services to the Company.

Patersons is acting as Lead Manager to the Offer. Details of the fees in relation to this are set out in Section 1.3. In the past two years Patersons has received approximately \$5,156,007 for services provided to the Company.

4.15 Secured Lender Options

Upon completion of the restructure of the Secured Facilities, and pursuant to this Prospectus, the Company will offer the Secured Creditor 3,000,000 unlisted Options ("**Secured Lender Options**") with a 3 year term and an exercise price set at a 15% premium to the lesser of the Company's volume weighted average share price for the 30 day period ended 30 June 2009 and the lowest subscription price per share of any new shares issued after 30 June 2009 but prior to the restructure being completed. For more details about the restructure refer to Section 2.4.

This Prospectus is also issued so that the Secured Lender Options and Shares issued pursuant to the exercise of the Secured Lender Options can be offered for on-sale within 12 months after their issue without disclosure.

Applications for Secured Lender Options may be made by completing and returning an Option Application Form to be provided by the Company.

4.16 Terms and Conditions of Secured Lender Options

(a) Entitlement

The Secured Lender Options entitle the holder to subscribe for one (1) unissued Share upon the exercise of each Secured Lender Option.

(b) Exercise Price

15% premium to the lesser of the Company's volume weighted average share price for the 30 day period ended 30 June 2009 and the lowest subscription price per share of any new shares issued after 30 June 2009 but prior to the restructure being completed.

(c) Expiry Date

The Secured Lender Options will expire 3 years after the date the Secured Lender Options are first granted by the Company.

(d) Exercise Period

The Secured Lender Options are exercisable at any time on or prior to the Expiry Date.

(e) Notice of Exercise

The Secured Lender Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Secured Lender Option being exercised. Any notice of exercise of a Secured Lender Option received by the Company will be deemed to be a notice of the exercise of that Secured Lender Option as at the date of receipt.

(f) Shares issued on exercise

Shares issued on exercise of the Secured Lender Options rank equally with the Shares of the Company.

(g) Quotation of Shares on exercise

Application will be made by the Company to ASX for official quotation of Shares issued upon the exercise of the Secured Lender Options.

(h) Timing of issue of Shares

After a Secured Lender Option is validly exercised, the Company must as soon as possible:

- (i) issue the Share; and
- (ii) do all such acts matters and things to obtain:
 - (A) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Secured Lender Option; and
 - (B) receipt of cleared funds equal to the sum payable on the exercise of the Secured Lender Options.

(i) Participation in new issues

There are no participation rights or entitlements inherent in the Secured Lender Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Secured Lender Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give Optionholders the opportunity to exercise their Secured Lender Options prior to the date for determining entitlements to participate in any such issue.

(j) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Secured Lender Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Secured Lender Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Secured Lender Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

O = the old Exercise Price of the Secured Lender Option.

E = the number of underlying Shares into which one (1) Secured Lender Option is exercisable.

- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N - the number of Shares with rights or entitlements that must be held to receive a right to one (1) new Share.

(l) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(m) Quotation of Secured Lender Options

Application for quotation of the Secured Lender Options will be not be made by the Company.

(n) Secured Lender Options not transferable

The Secured Lender Options are not transferable.

4.17 Expenses of Offer

The estimated expenses of the Offer are as follows:

	27,272,730 Convertible Notes issued	47,727,300 Convertible Notes issued
ASIC Lodgement fee	2	2
ASX quotation fee	28	35
Placement fees	1,000	1,750
Legal and preparation expenses	35	35
Printing, mailing and other expenses	15	15
Total	1,080	1,835

4.18 Consents

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with the ASIC:

Hardy Bowen has given, and has not withdrawn, their written consent to being named in this Prospectus as solicitors to the Company. Hardy Bowen have not authorised or caused the issue of this Prospectus or the making of the Offer. Hardy Bowen make no representation regarding, and to the extent permitted by law exclude any responsibility for, any statements in or omissions from any part of this Prospectus.

Patersons has given, and has not withdrawn, their written consent to being named in this Prospectus as Lead Manager of the Offer. Patersons have not authorised or caused the issue of this Prospectus or the making of the Offer. Patersons make no representation regarding, and to the extent permitted by law exclude any responsibility for, any statements in or omissions from any part of this Prospectus.

The Trustee has given and not withdrawn its written consent to be named as Trustee in this Prospectus. The Trustee has not authorised or caused the issue of this Prospectus. Neither the Trustee nor any member of the Trustee company group makes any representations as to the truth or accuracy of the contents of this Prospectus other than the parts which refer directly to the Trustee. The Trustee does not make any representation regarding or accepting any responsibility for any statements or omissions in or from any other parts of this Prospectus. Other than the parts of this Prospectus which refer directly to the Trustee or which refer to the provisions of the Trust Deed, the Trustee has relied upon the Company for the accuracy of the content of this Prospectus. Neither the Trustee nor any member of the Trustee company group makes any representations as to the performance of the issue, the maintenance of capital or any particular rate of return.

5. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to read 'P. Sullivan', with a stylized flourish at the end.

Peter Sullivan
Director

Dated: 8 September 2009

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Annual Report means the 2008 annual report of the Company.

Applicant means a person who submits an Application Form.

Application means a valid application for Securities under this Prospectus.

Application Form or **Form** means an application form for Securities under this Prospectus.

Application Monies means application monies for Securities under this Prospectus.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd (ACN 008 504 532).

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHES means ASX Clearing House Electronic Subregistry System.

Closing Date(s) means the dates indicated in the indicative timetable in Section 1.1, or such earlier date resolved by Directors in their absolute discretion.

Company or **Resolute** means Resolute Mining Limited ACN 097 088 689.

Convertible Note means the convertible notes with the terms and conditions set out in Section 4.1.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means Corporations Act (Cth) 2001.

Directors mean the directors of the Company as at the date of this Prospectus.

Full Year Statutory Accounts means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2008 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2008, together with a Directors' report in relation to that financial year and the auditor's report for the year to 30 June 2008.

Half Year Report means the half year financial report lodged by the Company with ASIC in respect to the half year ended 31 December 2008 and includes the financial report of the Company and its controlled entities for the half year ended 31 December 2008, together with a Directors' report in relation to that half year and the auditors report on the condensed half year financial report for the half year to 31 December 2008.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.

Listed Option means a listed option to acquire a Share in the capital of the Company, the terms and conditions of which are set out in Section 4.3.

Listing Rules means the Listing Rules of ASX.

Lead Manager means Patersons Securities Limited ABN 69 008 896 311.

Noteholder means any person holding Convertible Notes.

Offer means the offer of Convertible Notes and Listed Options as set out in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation of Securities on the Official List.

Opening Date means the date indicated in the indicative timetable in Section 1.1.

Option means an option to acquire a Share in the capital of the Company and includes the Listed Options and Secured Lender Options.

Optionholder means any person holding options.

Patersons means Patersons Securities Limited ABN 69 008 896 311.

Prospectus means this prospectus with the date in Section 5.

Section means a section of this Prospectus.

Secured Facilities means the secured debt facilities provided by the Senior Creditor comprising a cash advance facility, a deferred put option premium facility and financial derivative net liabilities as described in Section 2.4.

Secured Lender Option means an option to acquire a Share in the capital of the Company, the terms and conditions of which are set out in Section 4.16.

Securities mean a Share, Option or a Convertible Note issued or granted (as the case may be) by the Company.

Senior Creditor means Barclays Bank PLC Australia Branch (ARBN 062 449 585) in its capacity as trustee for the Resolute Group Security Trust.

Securityholder means any person holding Securities.

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

Shareholder means a holder of Shares.

Share Registry means Security Transfer Registrars Pty Ltd ACN 008 894 488.

Subordination Deed means the subordination deed between the Company, Trustee and Senior Creditor dated 28 November 2008 on the terms summarised in Section 4.5.

Trust Deed means the trust deed between the Company and the Trustee dated 28 November 2008 the material terms of which are summarised in Section 4.2.

Trustee means Trust Company Fiduciary Services Limited ABN 000 000 993.

WST means Western Standard Time, being the time in Perth, Western Australia.

RESOLUTE MINING LIMITED

TRANCHE 2 APPLICATION FORM

Please read all instructions on reverse of this form

A Number of Securities applied for (you may be issued with a lesser number)

B Total amount payable cheque(s) to equal this amount

	Convertible Notes at \$0.70 each =	A\$
	Listed Options at \$0.10 each =	A\$
	Total Application Monies	A\$

Securities will be allocated at the discretion of directors.

C Full name details title, given name(s) (no initials) and surname or company name

D Tax file number(s) Or exemption category

Name of applicant 1

Applicant 1/company

Name of joint applicant 2 or <account name>

Joint applicant 2/ trust

Name of joint applicant 3 or <account name>

Joint applicant 3/exemption

E Full postal address

Number/street

Suburb/town

State/postcode

F Contact details

Contact name

Contact daytime telephone number

 ()

Contact email address

G CHESS HIN (if applicable)

H Cheque payment details Please fill out your cheque details and make your cheque payable to: "**Resolute Mining Limited – Capital Raising Account**"

Drawer	Cheque number	BSB number	Account number	Total amount of cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

I Return of the Application Form with your Application Monies will constitute your offer to subscribe for Securities in the Company under this Prospectus. You declare that:

- (a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and
- (b) You have received personally a copy of the Prospectus accompanying the Application Form, before applying for Securities.

DvP Settlement

Applicants wishing to settle by DvP should tick this box and contact the Lead Manager to make arrangements

No signature is required.

You should read the Prospectus dated 8 September 2009 carefully before completing this Application Form. The Corporations Act 2001 (Cth) prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

Guide to Resolute Mining Limited Application Form

This Application Form relates to the Offer of up to 47,727,300 Convertible Notes, each at an issue price of \$0.70 together with 1 Listed Option for each 3 Convertible Notes issued at an issue price of \$0.10 in Resolute Mining Limited pursuant to the Prospectus dated 8 September 2009. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Securities of the Company and it is advisable to read this document before applying for Securities. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

- A** Insert the number of Convertible Notes and Listed Options you wish to apply for. Applicants must apply for 1 Listed Option for every 3 Convertible Notes applied for.
- B** Insert the relevant amount of Application monies. To calculate your Application monies, multiply the number of Convertible Notes applied for by the sum of \$0.70 and the number of Listed Options applied for by the sum of \$0.10.
- C** Write the full name you wish to appear on the statement of holdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES system.
- D** Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Official Quotation of your TFN is not compulsory and will not affect your Application.
- E** Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- F** Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- G** The Company will apply to ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Securities Exchange Limited.
If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertificated form on the CHES subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to section 3.12 of the Prospectus.

H Settlement:

If settling Application Monies by cheque make your cheque payable to "**Resolute Mining Limited – Capital Raising Account**" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

If Settling Application Monies by DVP settlement please contact the Lead Manager to make arrangements.

- I** Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Securities in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Securities equal to or less than the number of Securities indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor

Individual

Use names in full, no initials

Minor (a person under the age of 18)

Use the name of a responsible adult; do not use the name of a minor.

Company

Use company title, not abbreviations

Trusts

Use trustee(s) personal name(s), do not use the name of the trust

Deceased Estates

Use executor(s) personal name(s), do not use the name of the deceased

Partnerships

Use partners personal names, do not use the name of the partnership

Correct form of Registrable Title

Mr John Alfred Smith

John Alfred Smith

<Peter Smith>

ABC Pty Ltd

Mrs Sue Smith

<Sue Smith Family A/C>

Ms Jane Smith

<Est John Smith A/C>

Mr John Smith and Mr Michael Smith

<John Smith and Son A/C>

Incorrect form of Registrable Title

JA Smith

Peter Smith

ABC P/L

ABC Co

Sue Smith Family

Trust

Estate of late John

Smith

John Smith and Son

Return your completed Application Form to:

By mail

In the reply paid envelope or

Patersons Securities Limited

GPO Box W2024

Perth WA 6845

By delivery

Patersons Securities Limited

Level 23, Exchange Plaza

Perth WA 6000

Application Forms must be received no later than 5.00 pm WST time on the Closing Date.



Resolute Mining Limited
A B N 39 097 088 689

NOTICE OF GENERAL MEETING

The General Meeting of the Company will be held at Conference Centre, Ground Floor, The BGC Centre, 28 The Esplanade Perth, Western Australia on Friday 16 October 2009 at 10.00am (WST).

Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Resolute Mining Limited (**Company**) will be held at Conference Centre, Ground Floor, The BGC Centre, 28 The Esplanade Perth, Western Australia on Friday, 16 October 2009 at 10.00am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form comprise part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 14 October 2009 at 5.00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 – Ratify Tranche 1 Convertible Note Issue

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

*That, in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 27,272,730 Convertible Notes each at an issue price of \$0.70 and face value of \$0.50, an interest rate of 12% per annum together with one attaching Listed Option for each 3 Convertible Notes issued each at an issue price of \$0.10 on the terms and conditions in the Explanatory Memorandum (**Tranche 1 Convertible Note Issue**).*

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by a person who participated in the Tranche 1 Convertible Note Issue, or an associate of those persons. However, the Company need not disregard a vote if:

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

2. Resolution 2 – Authorise Tranche 2 Convertible Note Issue

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

*"That, in accordance with Listing Rule 7.1 and for all other purposes, Shareholders authorise and approve the Company to issue up to 20,454,570 Convertible Notes, each with a issue price of \$0.70 and face value of \$0.50, an interest rate of 12% per annum together with one attaching Listed Option for each 3 Convertible Notes issued each at an issue price of \$0.10 on the terms and conditions in the Explanatory Memorandum (**Tranche 2 Convertible Note Issue**).*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a 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 holder of ordinary securities, if the resolution is passed or an associate of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 10 September 2009
By Order of the Board

Greg Fitzgerald
Company Secretary

Resolute Mining Limited
A B N 39 097 088 689

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Conference Centre, Ground Floor, The BGC Centre, 28 The Esplanade Perth, Western Australia on Friday, 16 October 2009 at 10.00am (**WST**).

1. Capital Raising

On 4 September 2009 the Company announced a capital raising of up to \$35,000,000 (prior to costs) via the issue of up to 47,727,300 Convertible Notes each at an issue price of \$0.70 with a face value of \$0.50 and an interest rate of 12% together with one attaching Listed Option for each 3 Convertible Notes issued each at an issue price of \$0.10 (**Capital Raising**).

The Capital Raising is being undertaken in two tranches. The Tranche 1 Convertible Note Issue (27,272,730 Convertible Notes and 1 for 3 attaching Listed Options) is due to be completed on 24 September using the Company's 15% capacity. Resolution 1 seeks Shareholder ratification of the Tranche 1 Convertible Note Issue. The Tranche 2 Convertible Note Issue (up to 20,454,570 Convertible Notes and 1 for 3 attaching Listed Options) is subject to Shareholder approval under Resolution 2.

The Company has engaged Patersons as lead manager of the Capital Raising.

Shareholders are able to participate in the Tranche 2 Convertible Note Issue. Shareholders who wish to participate in the Tranche 2 Convertible Note Issue should refer to the Company's prospectus dated 8 September 2009, a copy of which has been sent to Shareholders.

The capital structure of the Company on completion of the Capital Raising is set out below.

	Shares	Convertible Notes⁽¹⁾	Listed Listed Options	Unlisted Listed Options
Existing	352,313,556	103,443,677	79,986,074	4,821,000
Minimum Subscription under the Offer	-	27,272,730	9,090,910	-
To be issued to Secured Creditor ⁽²⁾	-	-	-	3,000,000 ⁽²⁾
Total number of Securities on issue following minimum subscription	352,313,556	130,716,407	89,076,984	7,821,000
Additional Securities to be issued if Offer fully subscribed	-	20,454,570	6,818,190	-
Total number of Securities on issue if Offer fully subscribed	352,313,556	151,169,977	95,895,174	7,821,000

1. Each Convertible Note converts into 1 Share.

2. To be issued subject to the restructure of the existing Secured Facilities being completed.

The funds raised by the Capital Raising will be used in the manner below.

	Minimum Capital Raising	Maximum Capital Raising
Projected use of funds raised	\$'000	\$'000
Repayment of Secured Facilities ⁽¹⁾	9,826	9,826
Working Capital ⁽²⁾	9,094	23,339
Expenses of Offer	1,080	1,835
Total	20,000	35,000

1. The proposed repayment of a portion of the cash advance facility is US\$8,000,000 which has been converted to an A\$ equivalent in the above table using the USD/AUD exchange rate prevailing at 30 June 2009 of 0.8142. If the proposed repayment does not occur the funds will be reallocated to working capital.

2. Funds raised for working capital purposes will be utilised for the ramp up of the Syama Project, development of the Mt Wright Project, general exploration expenditure and working capital requirements of the Company. Priority will be given to the ramp up of the Syama Project. If only the minimum subscription is received the Company may not be able to immediately allocate funds to advance its other discretionary projects.

2. Resolution 1 – Ratify Tranche 1 Convertible Note Issue

2.1 Introduction

The Tranche 1 Convertible Note Issue was completed using the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval. The effect of Shareholders passing Resolution 1 will be to restore the Company's ability to issue securities within that limit, to the extent of the 27,272,730 Convertible Notes and 9,090,910 Listed Options issued.

2.2 Specific Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) 27,272,730 Convertible Notes and 9,090,910 Listed Options will be issued after the date of sending this Notice but prior to the Meeting being held, to raise \$20,000,000 (before costs), to clients of Patersons, who are not related parties of the Company;
- (b) The Convertible Notes issued under the Tranche 1 Convertible Note Issue have the terms and conditions in Schedule 2. The Listed Options issued under the Tranche 1 Convertible Note Issue have the terms and conditions in Schedule 3;
- (c) A voting exclusion statement is included in the Notice; and
- (d) The use of the funds raised by the Tranche 1 Convertible Note Issue is detailed in Section 1 of this Explanatory Memorandum.

3. Resolution 2 – Authorise Tranche 2 Convertible Note Issue

3.1 Introduction

Resolution 2 seeks Shareholders' approval pursuant to ASX Listing Rule 7.1 for the Directors to allot and issue up to 20,454,570 Convertible Notes and 6,818,190 Listed Options under the Tranche 2 Convertible Note Issue.

As the Tranche 1 Convertible Note Issue used all of the 15% capacity of the Company, Shareholder approval under Listing Rule 7.1 is required for the Tranche 2 Convertible Note Issue.

3.2 Specific Information Required by ASX Listing Rule 7.3

For the purposes of ASX Listing Rule 7.3 information regarding the Tranche 2 Convertible Note Issue is provided as follows:

- (a) The maximum number of securities the Company can issue under the Tranche 2 Convertible Note Issue is up to 20,454,570 Convertible Notes and 6,818,190 Listed Options;
- (b) The Convertible Notes and Listed Options under the Tranche 2 Convertible Note Issue will be issued no later than three months after the date of the

Meeting (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of ASX Listing Rule 7.3.2);

- (c) The Convertible Notes to be issued under the Tranche 2 Convertible Note Issue will be issued by the Company at an issue price of \$0.70 per Convertible Note. The Listed Options to be issued under the Tranche 2 Convertible Note Issue will be issued by the Company at an issue price of \$0.10 per Listed Option;
- (d) The Convertible Notes and Listed Options issued under the Tranche 2 Convertible Note Issue will be issued to investors under a prospectus of the Company dated 8 September 2009 who are clients of Patersons, Shareholders, Convertible Noteholders and members of the general public;
- (e) The Convertible Notes under the Tranche 2 Convertible Note Issue are Convertible Notes with the terms and conditions in Schedule 2. The Listed Options issued under the Tranche 2 Convertible Note Issue have the terms and conditions in Schedule 3;
- (f) The use of the funds raised by the Tranche 2 Convertible Note Issue is detailed in Section 1 of this Explanatory Memorandum;
- (g) Allotment of the Convertible Notes to be issued under the Tranche 2 Convertible Notes Issue will occur progressively; and
- (h) A voting exclusion statement is included in the Notice.

4. Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Schedule 1 – Definitions

In this Explanatory Memorandum and Notice:

ASX means ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors.

Company means Resolute Mining Limited ABN 39 097 088 689.

Convertible Note means a convertible note with the terms and conditions in Schedule 2.

Capital Raising means the Tranche 1 Convertible Note Issue and the Tranche 2 Convertible Note Issue.

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

Director means a director of the Company and **Directors** means the directors of the Company.

Dollar or **\$** means Australian dollars.

Explanatory Memorandum means this explanatory memorandum.

Listed Option means an option which entitles the holder to subscribe for one Share on the terms and conditions in Schedule 3.

Listing Rules means the Listing Rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means the notice of meeting to which the Explanatory Memorandum is attached.

Patersons means Patersons Securities Limited.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution in the Notice.

Schedule means a schedule to this Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

Tranche 1 Convertible Note Issue means the issue of Convertible Notes in Resolution 1 of this Notice.

Tranche 2 Convertible Note Issue means the issue of Convertible Notes in Resolution 2 of this Notice.

WST means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 – Terms and Conditions of Convertible Notes

1. The Convertible Notes will each have a face value of \$0.50 (Face Value). Each Convertible Note will be issued at the price of \$0.70;
2. The maturity date of the notes will be on 31 December 2012.
3. The terms and conditions of the Convertible Notes are subject to and conditional upon the terms of a trust deed.
4. The Convertible Notes will be unsecured and subordinated to the Company's syndicated facilities and existing standby facility. The Company has provided negative pledges as to the level of secured indebtedness.
5. The Company will apply to ASX for official quotation of the Notes.
6. Interest will be payable on the Convertible Notes at the rate of 12.0% per annum on their Face Value.
7. Interest will accrue daily from 1 July 2009 (being the next day after the end of the last interest payment date) until the earlier of:
 - (a) maturity;
 - (b) redemption; or
 - (c) conversion.
8. Interest will be payable six (6) monthly in arrears.
9. The Company may elect to issue Shares in lieu of paying interest. The Company may only issue Shares in lieu of paying interest where it can do so in accordance with the requirements of Listing Rule 7.1 or where it obtains the prior approval of Shareholders. The issue price at which each Share will be issued is the price which is a 7.5% discount to the volume weighted average Share price on the 5 proceeding days on which Shares have been traded prior to the day on which interest becomes payable.
10. The Company may in its absolute discretion elect to defer payment of any interest until 31 December 2011.
11. One Convertible Note converts to one Share.
12. The Noteholder may convert the Convertible Notes at any time.
13. The Convertible Notes will be redeemed on maturity if not converted by the Noteholder.
14. The Company may redeem the Convertible Notes any time after 31 December 2011 until maturity but the Noteholder will be given the prior opportunity to convert the Convertible Notes.
15. The Convertible Notes may be redeemed on the occurrence of usual events of default contained in the trust deed (including default in payment under the Convertible Note terms, material breach of the Convertible Note terms, default under the secured facilities of the Company, on winding up of the Company and on liquidation of the Company) or a change in control of the Company.
16. The Convertible Notes and the trust deed will be subject to the usual events of default.

17. The Shares to be allotted on conversion will be ordinary fully paid shares with the same terms and conditions as those currently on issue and application will be made to ASX for the official quotation of these Shares.
18. There are no participation rights or entitlements inherent in the Convertible Notes and the Noteholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Convertible Notes.
19. The Convertible Notes will be subject to usual reconstruction provisions in the event of a reconstruction of the Company. Such provisions will be consistent with the Listing Rules.
20. The Convertible Notes will be subject to usual adjustment provisions if there is a bonus issue or return of capital. Such provisions will be consistent with the Listing Rules.
21. The Convertible Notes are transferrable.
22. The Convertible Notes do not confer on the holders any rights to attend or vote at general meetings of Shareholders. The Noteholders will have the usual rights to vote a meeting of the Noteholders.

Schedule 3 - Terms and Conditions of Listed Options

1. Entitlement

The Listed Options entitle the holder to subscribe for one (1) unissued Share upon the exercise of each Listed Option.

2. Exercise Price

The exercise price of each Listed Option will be \$0.60.

3. Expiry Date

The Listed Options will expire on 31 December 2011.

4. Exercise Period

The Listed Options are exercisable at any time on or prior to the Expiry Date.

5. Notice of Exercise

The Listed Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Listed Option being exercised. Any notice of exercise of a Listed Option received by the Company will be deemed to be a notice of the exercise of that Listed Option as at the date of receipt.

6. Shares issued on exercise

Shares issued on exercise of the Listed Options rank equally with the Shares of the Company.

7. Quotation of Shares on exercise

Application will be made by the Company to ASX for official quotation of Shares issued upon the exercise of the Listed Options.

8. Timing of issue of Shares

After a Listed Option is validly exercised, the Company must as soon as possible:

- (a) issue the Share; and
- (b) do all such acts matters and things to obtain:
 - (i) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Listed Option; and
 - (ii) receipt of cleared funds equal to the sum payable on the exercise of the Listed Options.

9. Participation in new issues

There are no participation rights or entitlements inherent in the Listed Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Listed Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is

announced. This will give Listed Optionholders the opportunity to exercise their Listed Options prior to the date for determining entitlements to participate in any such issue.

10. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of a Listed Option will be increased by the number of Shares which the Listed Optionholder would have received if the Listed Optionholder had exercised the Listed Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

11. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Listed Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

O = the old Exercise Price of the Listed Option.

E = the number of underlying Shares into which one (1) Listed Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N - the number of Shares with rights or entitlements that must be held to receive a right to one (1) new Share.

12. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Listed Optionholder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

13. Quotation of Listed Options

Application for quotation of the Listed Options will be made by the Company.

14. Listed Options transferable

The Listed Options are transferable.

RESOLUTE MINING LIMITED
ABN 39 097 088 689

P R O X Y F O R M

The Company Secretary
Resolute Mining Limited

For information on returning this proxy form please see instructions over the page.

I/We¹ _____

of _____

being a Shareholder/Shareholders of the Company and entitled to _____

votes in the Company, hereby appoint² _____

or failing such appointment the chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the general meeting of the Company to be held at Conference Centre, Ground Floor, The BGC Centre, 28 The Esplanade Perth, Western Australia on Friday, 16 October at 10.00 am (WST) and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes of this proxy is authorised to exercise is * []% of the Shareholder's votes*/ [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

IMPORTANT:

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Ratify Tranche 1 Convertible Note Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Authorise Tranche 2 Convertible Note Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Authorised signature/s This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

²Insert name and address of proxy

*Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

- Joint Holding: where the holding is in more than one name all of the holders must sign.
- Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
- Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate 'Certificate of Appointment of Representative' should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Return of Proxy Forms

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission or email at the Company's share registry as set out below not less than 48 hours prior to the time of commencement of the general meeting (WST).

- Facsimile: +61 8 9315 2233
- Email: registrar@securitytransfer.com.au
- Post: PO Box 535
Applecross WA 6953
- Delivery: 770 Canning Highway
Applecross WA 6153