

**THIS DOCUMENT IS IMPORTANT**

If you do not understand it or are in any doubt about how to act, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.



ABN 45 125 301 206

**NOTICE OF 2011 ANNUAL GENERAL MEETING**

**A Meeting of Shareholders of Australia Minerals & Mining Group Ltd  
will be held on Tuesday 29 November 2011  
at 3 Bay Road, Claremont  
commencing at 9.30 a.m. (WST)**

If you are unable to attend the meeting, you may complete the form of proxy (enclosed) and return it to the Company as soon as possible and in any event so it is received by the Company Secretary at the place specified in the proxy form by 9.30 a.m. on 27<sup>th</sup> November 2011.

**Shareholders are advised following the recent Legislation change they will only have received a copy of the Company's Annual Report if they responded positively to the Share Registry. A copy of the Report is available on the Company's website at [www.ammg.com.au](http://www.ammg.com.au), or will be sent to shareholders without charge upon request.**

## **AUSTRALIA MINERALS & MINING GROUP LTD**

ABN 45 125 301 206

3 Bay Road, Claremont, WA, 6010

Telephone : (08) 9389 5557

Facsimile : (08) 9389 5510

### **NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the 2011 Annual General Meeting of the members of Australia Minerals & Mining Group Ltd (“**the Company**”) will be held at 3 Bay Road, Claremont, WA, 6010, on Tuesday 29<sup>th</sup> November 2011 commencing at 9.30 a.m. (WST).

#### **YOUR VOTE IS IMPORTANT**

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

#### **VOTING IN PERSON**

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

#### **VOTING BY PROXY**

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

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

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

Further details on these changes is set out below.

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

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

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

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

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

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

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

## ORDINARY BUSINESS

### 2011 Financial Statements

To receive and consider the financial statements and the related Directors' report, Directors' declarations and the independent audit report of Australia Minerals & Mining Group Ltd for the financial year ended 30 June 2011.

#### Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as a **non-binding resolution**:

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company’s annual financial report for the year ended 30 June 2011.”*

**Short Explanation:** The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company’s annual general meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

**Voting Prohibition Statement:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

#### Resolution 2 – Re-Election of Luke Atkins as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Luke Atkins having retired as a director of the Company pursuant to rule 13.2 of the Company’s Constitution and, being eligible, having offered himself for re-election be appointed as a director of the Company."*

Pursuant to the Company’s Constitution, one third of the Board (excluding the Managing Director) will retire at each Annual General Meeting and being eligible may offer themselves for re-election. As a consequence Mr Atkins is required to be re-elected at this Annual General Meeting.

#### Resolution 3 – Re-Election of Chris Forrester as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Chris Forrester having retired as a director of the Company pursuant to rule 13.2 of the Company’s Constitution and, being eligible, having offered himself for re-election be appointed as a director of the Company."*

Pursuant to the Company’s Constitution, one third of the Board (excluding the Managing Director) will retire at each Annual General Meeting and being eligible may offer themselves for re-election. As a consequence Mr Forrester is required to be re-elected at this Annual General Meeting.

#### **Resolution 4 – Adoption of Performance Rights Plan**

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

*“That, for the purposes of Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to establish and maintain a performance right plan (PRP) on the terms and conditions summarised in the accompanying Explanatory Memorandum and the grant of Performance Rights from time to time under the PRP as an exception to Listing Rule 7.1.”*

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

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

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

*However, the above prohibition does not apply if:*

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

#### **Resolution 5 – Placement – Shares**

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

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 5,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

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

#### **Resolution 6 – Placement- Options**

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

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 2,000,000 Options on the terms and conditions set out in the Explanatory Statement.”*

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

## **General**

To transact any other business as may be brought before the meeting in accordance with the Constitution of the Company, the Corporations Act 2001, or otherwise.

**BY ORDER OF THE BOARD**

**Piers Lewis**  
**Company Secretary**

**Dated: 21<sup>st</sup> October 2011**

# Australia Minerals & Mining Group Limited

ABN 45 125 301 206

## EXPLANATORY STATEMENT

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### INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of Australia Minerals and Mining Group Limited (“AMMG” or the “Company”) in connection with Resolutions 1 to 6 of the Annual General Meeting of members to be held at 3 Bay Road, Claremont, WA, 6010, at 9.30am, 29 November 2011.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 9.30am (WST) on 27 November 2011.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting. Please refer to Section 8 of this Explanatory Statement for a glossary of terms.

### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the Directors, the Directors’ report, the Remuneration Report and the auditor’s report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company’s annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company’s printing costs.

Whilst the Company will not provide a hard copy of the Company’s annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at <http://www.ammg.com.au>.

### 2. RESOLUTION 1: REMUNERATION REPORT

#### General

The Remuneration Report is set out in the Director’s Report in the Company’s 2011 Annual Report.

The Remuneration Report sets out the Company’s remuneration arrangements for the Directors and senior management of the Company.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company at the Annual General Meeting. However, Shareholders should note that the vote on Resolution 1 is advisory only and is not binding on the Company or its Directors.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

# Australia Minerals & Mining Group Limited

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### Changes to the Corporations Act

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the remuneration report at the annual general meeting, and then again at the Company's 2012 annual general meeting, the Company will be required to put to shareholders a resolution proposing the calling of an [extraordinary] general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of shareholders vote in favour of the Spill Resolution, the Company must convene the [extraordinary] general meeting (**Spill Meeting**) within 90 days of the Company's 2012 annual general meeting. All of the directors who were in office when the Company's 2012 directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as directors is approved will be the directors of the Company.

### Proxy restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel or any Closely Related Party as your proxy to vote on this Resolution 1, *you must direct the proxy how they are to vote*. Where you do not direct the Chair, or another member of Key Management Personnel or Closely Related Party on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

### Definitions

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

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

# Australia Minerals & Mining Group Limited

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(f) a person prescribed by the Corporations Regulations 2001 (Cth).

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2011.

### 3. **RESOLUTION 2: TO RE-ELECT MR LUKE ATKINS AS A DIRECTOR**

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has five Directors (not including the managing director) and accordingly two must retire.

Luke Atkins, the Director longest in office since his last election, retires by rotation and seeks re-election.

Mr Atkins has had experience in the resource sector from project generation, exploration, project management, project finance, commercial and legal structuring, and corporate development.

Mr Atkins has extensive experience in capital raisings and has held a number of executive and non-executive directorships of private and publicly listed companies, including a number of mining and exploration companies.

Mr Atkins is a lawyer by profession and was previously the principal of Atkins and Co Lawyers, a Perth-based legal firm, which he owned and managed for seven years. Mr Atkins brings to the board extensive experience in the areas of minerals exploration, legal matters, and corporate governance.

### 4. **RESOLUTION 3: TO RE-ELECT MR CHRIS FORRESTER AS A DIRECTOR**

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

# Australia Minerals & Mining Group Limited

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## EXPLANATORY STATEMENT

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The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has five Directors (not including the managing director) and accordingly two must retire.

Chris Forrester, the Director second longest in office since his last election, retires by rotation and seeks re-election.

Chris Forrester brings to the board extensive strategic development, operational and marketing skills, with over 30 years business and management experience.

Mr Forrester was responsible for the establishment and development of Entyre Rubber Systems Pty Ltd and after selling the company, played a key role in the growth transformation of the company into an ASX listed enterprise, trading as Reclaim Ltd. Reclaim went on to become the Australian industry leader in its sector, undergoing significant expansion nationally and internationally, securing markets in Asia, the Middle East, the US and the UK.

As Executive Director of Reclaim Ltd, Mr Forrester was responsible for overseeing the day to day operational management of the company, the ongoing review of process improvement and the identification and implementation of expansion strategies. Mr Forrester has had extensive business dealings in China and the Middle East.

Prior to his work with Reclaim Ltd, Mr Forrester worked in the agricultural industry, the mining industry, as a sub contract miner, and as the Assistant Manager of the blast hole division of Thomson Drilling.

## 5. RESOLUTION 4: ADOPTION OF EMPLOYEE PERFORMANCE RIGHTS PLAN

### General

Resolution 4 seeks shareholder approval to establish and maintain a Australia Minerals and Mining Group Limited Performance Rights PRP (**PRP**) to provide ongoing incentives to employees of the Company.

On 12 October 2011, the Board adopted the PRP to allow employees to be granted performance rights to acquire shares in the Company.

The objective of the PRP is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the PRP are aligned with the successful growth of the Company's business activities.

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The employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The Directors consider that the PRP is an appropriate method to:

- (a) reward employees for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate employees and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable employees.

### ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

One of the exceptions to ASX Listing Rule 7.1 is Listing Rule 7.2 (Exception 9) which provides that ASX Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the 3 years before the date issue, shareholders have approved the issue as an exception to ASX Listing Rule 7.1.

The effect of Resolution 4 will be to allow the directors to grant Performance Rights to employees of the Company pursuant to the PRP during the period of 3 years after the meeting (or a longer period, if allowed by ASX), and to issue shares to those employees if they achieve the performance and vesting conditions of the Performance Rights, without using the Company's 15% annual placement capacity.

### Terms of the PRP

A summary of the terms of the PRP is provided in Schedule 1 to this explanatory memorandum. A copy of the PRP will be made available free of charge to any shareholder on request.

No Performance Rights have been issued under the PRP as at the date of this Notice.

## 6. RESOLUTION 5: PLACEMENT SHARES

### General

On 4 October 2011, the Company and its wholly owned subsidiary Yilgarn Iron Pty Ltd (**Yilgarn**) entered into a tenement sale agreement with Minemakers (Iron) Pty Ltd (**Minemakers (Iron)**), for the purchase of an 80% interest in tenement E70/2640-I (**Tenement**) for the following consideration to Minemakers (Iron):

- (a) the Company issuing 5,000,0000 Shares to Minemakers Iron; and
- (b) the Company granting 2,000,000 options (exercise price 20 cents and expiry of two (2) years from the date of issue) to Minemakers Iron,

# Australia Minerals & Mining Group Limited

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## EXPLANATORY STATEMENT

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subject to the confirmation of Tenement renewal from the Department of Mines and Petroleum and assignment of relevant access agreements in relation to the Tenement (**Tenement Sale Agreement**).

The Company also made a payment of \$10,000 to Minemakers (Iron) as part consideration for the Tenement on the date of execution of the Tenement Sale Agreement.

Resolution 5 seeks Shareholder approval for the allotment and issue of up to 5,000,000 Shares at a deemed issue price of \$0.16 per Share pursuant to the Tenement Sale Agreement (**Share Placement**).

Minemakers Iron is not a related party of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 4 above.

The effect of Resolution 5 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Given that settlement under the Tenement Sale Agreement will only occur after the Company receives approval for the renewal of the Tenement (expected to be around March/April), the Company is asking permission from ASX to be able to issue the Shares pursuant to Resolution 5 and Options pursuant to Resolution 6, 5 months after the initial shareholder approval is obtained.

### **Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) the maximum number of Shares to be issued is 5,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the deemed issue price will be \$0.16 per Share;
- (d) the Shares will be allotted and issued to Minemakers (Iron);
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the Share Placement as the Company is issuing the Shares to Minemakers (Iron) as part consideration for the 80% interest in the Tenement pursuant to the Tenement Sale Agreement.

# Australia Minerals & Mining Group Limited

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## EXPLANATORY STATEMENT

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### 7. RESOLUTION 6: PLACEMENT OPTIONS

#### General

Resolution 6 seeks Shareholder approval for the allotment and issue of 2,000,000 Options to Minemakers (Iron) as detailed above in Section 5 of the Explanatory Statement (**Option Placement**).

Minemakers (Iron) is not a related party of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 4 above.

The effect of Resolution 6 will be to allow the Directors to issue the Options pursuant to the Option Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Given that settlement under the Tenement Sale Agreement will only occur after the Company receives approval for the renewal of the Tenement (expected to be around March/April), the Company is asking permission from ASX to be able to issue the Shares pursuant to Resolution 5 and Options pursuant to Resolution 6, 5 months after the initial shareholder approval is obtained.

#### Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of Options to be granted is 2,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Options will be issued for nil cash consideration;
- (d) the Options will be allotted and issued to Minemakers (Iron);
- (e) the Options will be issued on the terms and conditions set out in Schedule 2; and
- (f) no funds will be raised from the Option Placement as the Options are being issued in part consideration for an 80% interest in the Tenement.

# **Australia Minerals & Mining Group Limited**

**ABN 45 125 301 206**

## **EXPLANATORY STATEMENT**

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### **ACTION TO BE TAKEN BY SHAREHOLDERS**

**Shareholders should read this Explanatory Statement carefully before deciding how to vote on each Resolution.**

**Attached to the Notice of Meeting is a proxy form for use by Shareholders. Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to complete, sign and return the proxy form to the Company in accordance with the instructions contained in the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a shareholder from attending and voting at the Meeting in person.**

### **Enquiries**

All enquiries in relation to the contents of the Notice of Meeting or Explanatory Statement should be directed to the Company Secretary, Mr Piers Lewis (telephone: +618 9389 5557).

## **GLOSSARY OF TERMS**

In this Explanatory Statement the following terms have the meaning set out below:

<b>“ACN”</b>	Australian Company Number
<b>“Annual Report”</b>	The Company's report including the reports of the Directors and auditor of the Company and the financial statements of the Company for the year ended 30 June 2011.
<b>“ASIC”</b>	Australian Securities and Investments Commission.
<b>“ASX”</b>	ASX Limited (ACN 008 624 691)
<b>“ASX Listing Rules” or “Listing Rules”</b>	The Official Listing Rules of ASX as amended from time to time.
<b>“Board”</b>	Means the current board of directors of the Company.
<b>“Closely Related Party”</b>	Has the meaning as set out in Section 2 of the Explanatory Statement.
<b>“Company”</b>	Australia Minerals and Mining Group Limited (ABN 45 125 301 206).
<b>“Constitution”</b>	Means the Company's constitution
<b>“Corporations Act”</b>	The Corporations Act 2001 (Commonwealth).
<b>“Director”</b>	A director of Australia Minerals and Mining Group Limited.
<b>“Key Management Personnel”</b>	Has the meaning as set out in Section 2 of the Explanatory Statement.
<b>“Meeting” or “Annual General Meeting”</b>	The Meeting of the Company to be held on 29 November 2011.
<b>“Notice of Meeting” or “Notice”</b>	The notice convening the Meeting, which accompanies this Explanatory Statement.
<b>“PRP”</b>	The Company's performance rights plan to be adopted by Shareholders pursuant to Resolution 4 of this Notice of Meeting.
<b>“Remuneration Report”</b>	Has the meaning as set out in Section 2 of the Explanatory Statement.
<b>“Resolutions”</b>	The Resolutions set out in the Notice of Meeting.
<b>“Share”</b>	A fully paid ordinary share in the capital of the Company.
<b>“Shareholder”</b>	The registered holder of a Share in the Company.
<b>“WST”</b>	Australian Western Standard Time

## SCHEDULE 1 – TERMS OF THE PRP

The Company has established an employee performance rights plan (**PRP**).

The full terms of the PRP may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the PRP is set out below.

- (a) Subject to any necessary approvals from the Company's shareholders or as required by law or by the Listing Rules, the Board may, from time to time, at its absolute discretion and only where any Director and full time or part time employee of the Company, who is determined by the Board to be eligible to participate in the PRP (**Eligible Participants**), grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in the PRP and upon such additional terms and vesting conditions as the Board determines.
- (b) Each Performance Right will vest as an entitlement to one fully paid ordinary share in the capital of the Company (**Share**) provided that certain performance milestones are met. If the performance milestones are not met, the Performance Rights will lapse and the Eligible Participant will have no entitlement to any Shares.
- (c) The Company shall notify the Eligible Participant when the relevant vesting requirements have been satisfied and the Eligible Participant may then exercise their right to accept the vesting of the Performance Rights and be issued the Shares, following which the Company will issue the Shares and deliver notification of the Shareholding to the Eligible Participant.
- (d) Subject to the Company being listed on the ASX, the Company will, within 7 days of the date of the Shares being issued, make application to ASX for quotation of the Shares.
- (e) Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank pari passu with all other Shares on issue.
- (f) Performance Rights shall not be quoted on ASX.
- (g) Performance Rights shall not be transferred or assigned by an Eligible Participant except with the prior written consent of the Directors of the Company.
- (h) Subject to any right an Eligible Participant may have as a holder of shares, holders of Performance Rights may only participate in new issues of securities to holders of shares if the vesting requirements have been satisfied and the relevant Shares have been issued prior to the record date for determining entitlements to the issue. The Company shall give notice to holders of Performance Rights (as required under the ASX Listing Rules) of any new issues of securities prior to the record date for determining entitlements to the issue.
- (i) If Shares are issued pro rata to the Company's shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits, the number of Shares over which each Performance Right is exercisable may be increased by the number of Shares which the participant would have received if the Performance Right had been exercised before the record date for the bonus issue.
- (j) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of a participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (k) Unless the Eligible Participant agrees otherwise, all of a Eligible Participant's unvested Performance Rights vest automatically:

- (i) if a takeover bid is made, the takeover bid is declared unconditional and the bidder has acquired a relevant interest in more than 50% of the Company's shares; or
  - (ii) on the date of despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act seeking approval for a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
  - (iii) on the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Performance Rights, to sufficient Shares to give it or them the ability, in general meeting, to replace all or allow a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.
- (l) The holder of Performance Rights does not have any entitlement to vote at a general meeting of Shareholders.

## SCHEDULE 2 – TERMS AND CONDITIONS OF OPTIONS

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Option holder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (WST) on that date which is two years from the date of the issue of the Options (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.20 (Exercise Price).
- (d) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) A Option holder may exercise their Options by lodging with the Purchaser, before the Expiry Date:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

**(Exercise Notice).**

- (f) An Exercise Notice is only effective when the Purchaser has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Purchaser will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) Australia Minerals will not apply for quotation of the Options on ASX. However, Australia Minerals will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of The Purchaser is reconstructed, all rights of a Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Purchaser will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (m) A Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

**PROXY FORM**

The Company Secretary  
 Australia Minerals & Mining Group Ltd  
 3 Bay Road  
 CLAREMONT WA

Facsimile: (08) 9389 5510

I/We (name of shareholder) .....

of (address) .....  
 being a member/members of Australia Minerals & Mining Group Ltd holding.....

..... ordinary fully paid shares HEREBY APPOINT

(name) .....

or failing that person then the Chairman of the General Meeting as my/our proxy to vote for me/us and on my/our behalf at the 2011 Annual General Meeting of the Company to be held at 3 Bay Road, Claremont, WA, 6010 on Tuesday 29<sup>th</sup> November 2011 at 9.30 a.m. (WST) and at any adjournment of the meeting.

**Important for Resolution 1:** If the Chair of the Meeting or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or a Closely Related Party of that member is your proxy and you have not directed the proxy to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chair, another member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or Closely Related Party of that member is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolution 1** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 6 and that votes cast by the Chair of the Annual General Meeting for Resolution 6 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 6 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 6.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

I/We direct my/our Proxy to vote in the following manner:

	For	Against	Abstain*
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Mr L Atkins as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-election of Mr C Forrester as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Placement - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Placement - Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Adoption of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

***This Proxy is appointed to represent \_\_\_\_% of my voting right, or if 2 proxies are appointed Proxy 1 represents \_\_\_\_% and Proxy 2 represents \_\_\_\_% of my total votes.  
The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business..***

*If the shareholder is an individual:*

*If the shareholder is a company:  
Affix common seal (if Constitution requires)*

Signature: \_\_\_\_\_ Director/Sole Director and Secretary: \_\_\_\_\_

Name: \_\_\_\_\_ Director/Secretary: \_\_\_\_\_

Dated: \_\_\_\_\_ 2011



## INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer of the Company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this General Meeting **that is by 9.30 a.m. on 27<sup>th</sup> November 2011** by post or facsimile to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
  - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
  - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
  - (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way, and
  - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in anyway that the proxy sees fit.

7. New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:
  - if proxy holders vote, they must cast all directed proxies as directed; and
  - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes is set out below.

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

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

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

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

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

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

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