



GME RESOURCES LIMITED
(ABN 62 009 260 315)

NOTICE OF ANNUAL GENERAL MEETING
AND EXPLANATORY STATEMENT

FOR THE MEETING OF SHAREHOLDERS
OF THE COMPANY TO BE HELD AT
THE BLUEWATER BAR AND GRILL
56 DUNCRAIG ROAD IN APPLECROSS WESTERN AUSTRALIA
AT 10.00 AM ON THURSDAY, 22 NOVEMBER 2007

DATED: 22 OCTOBER 2007

Registered Office:

467 Canning Highway
Como 6152
Western Australia
Telephone: (08) 9313 2144
Facsimile: (08) 9313 2188

GME RESOURCES LIMITED
(ABN 62 009 260 315)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of GME Resources Limited will be held on **Thursday, 22 November 2007 at 10.00 am** at the Bluewater Bar and Grill, 56 Duncraig Road, Applecross in Western Australia to consider and if thought fit to pass the following Resolutions with or without amendment:

AGENDA

ADOPTION OF ANNUAL REPORT

That the Annual Report, including Financial Statements, Directors' declaration and accompanying Reports of the Directors and Auditors for the Financial Year ending 30 June 2007 be approved and adopted.

To consider and if thought fit to pass the following resolutions as ordinary resolutions:

1. RE-ELECTION OF DIRECTOR

“That Peter Ross Sullivan, who retires by rotation under Clause 21.3(2) of the Company's Constitution and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company.”

2. REMUNERATION REPORT

“That the Remuneration Report as set out in the Company's Annual Report for the year ended 30 June 2007, be adopted.”

3. ISSUE OF OPTIONS TO MANAGING DIRECTOR – JAMES SULLIVAN

“That, for the purposes of Listing Rule 7.1 and all other purposes, Shareholders approve the proposed issue of 500,000 options to the Managing Director, Mr James Noel Sullivan, for the purposes and on the terms set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Mr James Sullivan or any of his associates. However, the Company need not disregard a vote if:

- **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**
- **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.**

4. RATIFICATION OF PRIOR SECURITIES ISSUE

“That, for the purposes of Listing Rule 7.4 and for all other purposes, the allotment and issue of a total of 12,000,000 Shares and 2,000,000 Options to Wanbanna Pty Ltd and its nominees, for the consideration and on the terms and conditions set out in the Explanatory Statement, is approved and ratified.”

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Wanbanna Pty Ltd or any of its associates. However, the Company need not disregard a vote if:

- **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**
- **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 NOTES:

Shareholder letter and explanatory statement

A letter to Shareholders and Explanatory Statement explaining and commenting on the Resolutions the subject of this Notice of Meeting are enclosed with this Notice of Meeting. That letter to Shareholders and Explanatory Statement are deemed to form part of this Notice of Meeting.

Proxy

A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies, to attend and to vote instead of the shareholder. The proxy need not be a member of GME Resources. Proxy Forms must be lodged at the principal office of GME Resources at 467 Canning Highway Como WA 6152 **no later than 48 hours** before the time of the meeting. A Proxy Form accompanies this Notice of Meeting.

Voting Entitlement

The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of attending and voting at the meeting, shares will be taken to be held by the registered holders at 10 am WST on Tuesday 20th November 2007.

Unless specified otherwise, all Resolutions once passed take effect from the close of the Meeting.

Dated this 22nd day of October 2007

BY ORDER OF THE BOARD OF DIRECTORS



BRADLEY WYNNE
Company Secretary

GME RESOURCES LIMITED
(ABN 62 009 260 315)

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

1. RESOLUTION 1 – RE-ELECTION OF PETER ROSS SULLIVAN

“That Peter Ross Sullivan, who retires by rotation under Clause 21.3(2) of the Company’s Constitution and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company.”

Clause 21.3(2) of the Constitution of the Company provides that one-third of the Directors must retire at the Annual General Meeting and those Directors are then eligible for re-election. Accordingly Peter Ross Sullivan, having retired as a director, offers himself for re-election as a director in accordance with the Constitution of the Company.

The Directors recommend the approval of Resolution 1 to all Shareholders.

2. RESOLUTION 2 – REMUNERATION REPORT

“That the Remuneration Report as set out in the Company’s Annual Report for the year ended 30 June 2007, be adopted.”

The Remuneration Report is for consideration and adoption by way of non-binding resolution. The Remuneration Report is set out in the GME Resources Limited Annual Report 2007 and is also available on the Company’s web site (www.gmeresources.com.au).

The report explains for shareholders:

- The board’s policies in relation to the nature and level of remuneration paid to directors of GME Resources Limited;
- The remuneration details for each director and any service agreements; and
- The details of any share based compensation.

3. RESOLUTION 3 – ISSUE OF OPTIONS TO DIRECTOR - JAMES SULLIVAN

“That, for the purposes of Listing Rule 7.1 and all other purposes, Shareholders approve the proposed issue of 500,000 options to the Managing Director, Mr James Noel Sullivan, for the purposes and on the terms set out in the Explanatory Statement.”

The Company proposes to issue 500,000 Options exercisable at \$0.75 each. The issue of these Options will be equal to approximately 0.21% of the Company’s fully-diluted share capital if all the Options are exercised by their exercise date and assuming no further issues of securities by the Company. The terms and conditions of the Options are set out in Annexure “A” to this Explanatory Memorandum.

Shareholder approval for the grant of the Options the subject of Resolution 3 is sought for the purposes of:

- Division 3 of Part 2E.1 of the Corporations Act – which governs the giving of financial benefits to ‘related parties’, eg directors of a company;
- Listing Rule 7.1 – which generally prohibits a company from issuing more than 15% of its capital within a 12 month period without Shareholder approval; and
- Listing Rule 10.11 – which requires the grant of securities to a related party of a Company to be approved by Shareholders.

Mr Sullivan was appointed to the Board in May 2004 to further strengthen the Board through the benefit of his substantial experience. In order to incentivise Mr Sullivan to continue working for the benefit of the Company’s Shareholders he will be offered 500,000 Options on the terms and conditions set out in Annexure “A” to this Explanatory memorandum. The number of Options proposed to be granted to Mr Sullivan has been determined on the basis that it is reasonable in the circumstances. The Options are being granted for no consideration. Consequently no funds will be raised as a result of the grant of the Options. A total of \$375,000 in additional Share Capital would be raised if the Options were exercised in full.

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

- The giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed grant of Options to Mr Sullivan involves the provision of a financial benefit to a related party of the Company and, therefore, requires Shareholder approval.

In accordance with the requirements of Part 2E of the Corporations Act, and in particular sections 218 and 221, the following information is provided to Shareholders to allow them to assess the proposed grant of Options:

- a) Being a director, Mr Sullivan is a related party of the Company to whom the financial benefit would be given by virtue of Section 228(2)(a) of the Corporations Act;
- b) The nature of the financial benefit to be given is the grant of Options on the terms set out in Annexure “A” to this Explanatory Memorandum;
- c) Those Directors who have no interest in the outcome of Resolution 3 (being all the Directors other than Mr Sullivan) recommend that Shareholders vote in favour of Resolution 3 on the basis that the Options to be granted provide Mr Sullivan with an appropriate incentive in recognition of his knowledge and experience in relevant industries;
- d) Mr Sullivan makes no recommendation in relation to Resolution 3 on the basis that he has an interest in the outcome of the resolution;

- e) The options will be issued free of charge. Any funds raised from the exercise of Options will be used for the Company's general working capital requirements;
- f) Based on a Black & Scholes valuation method, the Company estimates that each Option the subject of Resolution 3 has a value of \$0.22 (\$108,700 in aggregate) as at 26 September 2007.

This estimate is based on the following assumptions:

Exercise price	\$0.75
Market value of underlying Shares at time of setting exercise price	\$0.615
Time to expiration of Option	642 days
Volatility	75%
Risk free interest rate	6.5%
Annualised dividend yield	Nil

- g) Over the past 12 months, the lowest recorded price of the Company's Shares trading on ASX was \$0.27 on 16 October 2006 and the highest was \$1.26 on 14 May 2007. At the close of trading on 15 October 2007, the Company's Share price was \$0.69;
- h) Following the passing of Resolution 3, Mr Sullivan will have a relevant interest in 11,929,676 Shares and 500,000 Options exercisable at \$0.75 on or before 30 June 2009.
- i) As Managing Director, Mr Sullivan receives fees for services of \$135,000 per annum;
- j) Assuming the issue of Options contemplated by the notice of meeting, the Company will have 241,173,931 Shares and 850,000 Options on issue. Assuming Mr Sullivan exercises all of the Options to be granted to him pursuant to Resolution 3, Mr Sullivan would hold an interest in 5.14% of the Company's diluted capital; and
- k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass Resolution 3.

The following information is provided for the purposes of Listing Rules 7.1 and 10.11:

- a) The name of the person who will be issued the Options is Mr James Noel Sullivan.
- b) Mr James Noel Sullivan will be issued 500,000 Options. The terms and conditions of these Options are set out in Annexure 'A' to this Explanatory Memorandum.
- c) The Options will be issued within one month of shareholder approval.
- d) The Options are being issued for no consideration and therefore no funds will be raised pursuant to the issue of Options.

4. RESOLUTION 4 – RATIFICATION OF PRIOR SECURITIES ISSUE

“That, for the purposes of Listing Rule 7.4 and for all other purposes, the allotment and issue of a total of 12,000,000 Shares and 2,000,000 Options to Wanbanna Pty Ltd and its nominees, for the consideration and on the terms and conditions set out in the Explanatory Statement, is approved and ratified.”

On 15 October 2007, the Company announced that it had reached agreement with Wanbanna Pty Ltd to acquire an 80% interest in Prospecting Licenses 39/2831-2835 (MLA 39/460) for consideration of \$50,000 cash, 12,000,000 Fully Paid Ordinary Shares and 2,000,000 Unlisted Options exercisable at \$0.70 each on or before 30 September 2010.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% threshold set out in ASX Listing Rule 7.1 without the requirement for prior shareholder approval.

The following information is provided for the purposes of Listing Rule 7.4:

a) 12,000,000 Shares were allotted and issued to the parties set out below:

Wanbanna Pty Ltd	2,000,000
Mark Selga	831,158
Trindal Pty Ltd	2,590,858
G V Hugo Pty Ltd	3,288,992
K W Tregloan Pty Ltd	3,288,992
TOTAL	<u>12,000,000</u>

b) the issue price of each of the Shares was deemed to be \$0.6398 each.

c) the Shares issued were all fully paid ordinary shares in the capital of the Company;

d) no funds were raised by the issue of the Shares the subject of Resolution 4;

e) 2,000,000 Options were issued to the parties set out below:

Wanbanna Pty Ltd	500,000
G V Hugo Pty Ltd	500,000
K W Tregloan Pty Ltd	500,000
Trindal Pty Ltd	500,000
TOTAL	<u>2,000,000</u>

f) the terms and conditions of these Options are set out in Annexure ‘B’ to this Explanatory Memorandum; and

g) the Options are being issued for no consideration and therefore no funds will be raised pursuant to the issue of Options.

ANNEXURE “A”

TERMS AND CONDITIONS OF OPTIONS PROPOSED TO BE GRANTED TO MR SULLIVAN

- a) The Options are issued at a price of nil cents each.
- b) The Options are not transferable and negotiable.
- c) Each Option entitles the holder to subscribe for one fully paid ordinary Share in the capital of the Company.
- d) The exercise price of the Options is \$0.75 for each Share subscribed for (the ‘**Exercise Price**’).
- e) The Options may be exercised in whole or in part, but only:
 - 1) by notice in writing to the Company accompanied by the payment of the Exercise price; and
 - 2) on or before 30 June 2009 (the ‘**Expiry Date**’).
- f) Any Option not exercised on or before the Expiry Date will expire and cease to carry any rights or benefits.
- g) There are no participating rights or entitlements inherent in the Options and holders of Options will not have the right to participate in new issues of capital which may be offered to shareholders during the currency of the Options.
- h) Holders of the Options will however have the right to exercise their Options prior to the date of determining the entitlements of existing shareholders of the Company to any new issue of capital made by the Company prior to the Expiry Date. The Company will ensure that holders of Options are afforded the period of at least seven business Days (as defined in the Constitution of the Company) before the record date (to determine the entitlements to any such new issue) to exercise the Options.
- i) The Company will not make application for the Options to be granted official quotation by Australian Stock Exchange.
- j) Shares issued pursuant to the exercise of the options will be allotted following receipt of all relevant documents and payments in respect thereto and will rank for dividends pro rata with the existing issued Shares, as at the date of exercise of the Options. In all other respects, Shares so issued will rank pari passu with the then issued ordinary Shares of the Company.
- k) The Company will make application for any Shares issued upon the exercise of any Option to be granted official quotation by Australian Stock Exchange.
- l) In the event of a reorganization (including reconstruction, consolidation, subdivision, reduction or return) of the issued capital of the Company, the rights of holders of Options will be changed to the extent necessary to comply with the Australian Stock Exchange’s Listing Rules applying for a reorganization of capital at the time of the reorganization.

ANNEXURE “B”

TERMS AND CONDITIONS OF OPTIONS PROPOSED TO BE GRANTED TO WANBANNA PTY LTD AND NOMINEES

- a) The Options are issued at a price of nil cents each.
- b) The Options are not transferable and negotiable.
- c) Each Option entitles the holder to subscribe for one fully paid ordinary Share in the capital of the Company.
- d) The exercise price of the Options is \$0.70 for each Share subscribed for (the ‘**Exercise Price**’).
- e) The Options may be exercised in whole or in part, but only:
 - 1) by notice in writing to the Company accompanied by the payment of the Exercise price; and
 - 2) on or before 30 September 2010 (the ‘**Expiry Date**’).
- f) Any Option not exercised on or before the Expiry Date will expire and cease to carry any rights or benefits.
- g) There are no participating rights or entitlements inherent in the Options and holders of Options will not have the right to participate in new issues of capital which may be offered to shareholders during the currency of the Options.
- h) Holders of the Options will however have the right to exercise their Options prior to the date of determining the entitlements of existing shareholders of the Company to any new issue of capital made by the Company prior to the Expiry Date. The Company will ensure that holders of Options are afforded the period of at least seven business Days (as defined in the Constitution of the Company) before the record date (to determine the entitlements to any such new issue) to exercise the Options.
- i) The Company will not make application for the Options to be granted official quotation by Australian Stock Exchange.
- j) Shares issued pursuant to the exercise of the options will be allotted following receipt of all relevant documents and payments in respect thereto and will rank for dividends pro rata with the existing issued Shares, as at the date of exercise of the Options. In all other respects, Shares so issued will rank pari passu with the then issued ordinary Shares of the Company.
- k) The Company will make application for any Shares issued upon the exercise of any Option to be granted official quotation by Australian Stock Exchange.
- l) In the event of a reorganization (including reconstruction, consolidation, subdivision, reduction or return) of the issued capital of the Company, the rights of holders of Options will be changed to the extent necessary to comply with the Australian Stock Exchange’s Listing Rules applying for a reorganization of capital at the time of the reorganization.

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GME Resources Ltd

ABN 62 009 260 315

GME RESOURCES LTD

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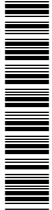
TO LODGE A PROXY FORM:

GME Resources Limited
PO Box 920 Canning Bridge
Western Australia 6953 Australia
Facsimile 61 8 9313 2188

FOR ALL ENQUIRIES CALL:

(within Australia) (08) 9313 2144
(outside Australia) 61 8 9313 2144

000001 000 GME
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



 **FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECEIVED BY 10.00AM (WST) ON TUESDAY, 20 NOVEMBER 2007**



**YOUR ANNUAL REPORT IS AVAILABLE ONLINE, SIMPLY VISIT:
www.gmeresources.com.au**

- Access your annual report**
- Review and update your securityholding**

YOUR SECURE ONLINE ACCESS INFORMATION

SRN/HIN: 11234567890

POST CODE: 3030

! FOR SECURITY REASONS IT IS IMPORTANT THAT YOU KEEP YOUR SRN/HIN CONFIDENTIAL.

HOW TO COMPLETE THIS PROXY FORM *Please read these notes prior to completion of the voting form.*

VOTES ON ITEMS OF BUSINESS

Voting 100% of your holding. You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Voting a portion of your holding. You may indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. The sum of the votes cast on each item or the percentages for and against an item must not exceed your voting entitlement or 100%.

A proxy need not be a securityholder of the Company.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the proportion or number of votes each proxy may exercise, otherwise each proxy may exercise half of the votes. Fractions of votes will be disregarded. A separate Proxy Form should be used for each proxy. You can obtain additional forms by telephoning the company's share registry or you may copy this form. If you lodge two proxies please lodge both forms together.

SIGNING INSTRUCTIONS

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

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

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

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


If a representative of a corporate securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained by telephoning the company's share registry or at www.computershare.com.

LODGEMENT OF A PROXY FORM. This Form (and any Power of Attorney under which it is signed) must be received at an address given above no later than 48 hours before the commencement of the meeting at 10.00am (WST), Thursday, 22 November 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

STEP 1 APPOINT A PROXY TO VOTE ON YOUR BEHALF

I/We being a member/s of GME Resources Ltd hereby appoint

the Chairman of the Meeting **OR**

 Please leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of GME Resources Ltd to be held at the Bluewater Bar and Grill, 56 Duncraig Road, Applecross in Western Australia on Thursday, 22 November 2007 at 10.00am (WST) and at any adjournment of that meeting.

IMPORTANT: FOR ITEMS 3 AND 4 BELOW If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Items 3 and 4 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of those items and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 3 and 4 and your votes will not be counted in computing the required majority if a poll is called on these items. The Chairman of the Meeting intends to vote undirected proxies in favour of each of these items.

STEP 2 ITEMS OF BUSINESS

! PLEASE NOTE: 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 not be counted in computing the required majority on a poll.

	For	Against	Abstain
Item 1 Re-election of Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Issue of Options to Managing Director - James Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Ratification of Prior Securities Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business.

SIGN SIGNATURE OF SECURITYHOLDER(S) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary



I 1234567890

IND

000001 000 GME
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of name and/or address. If your name and/or address is incorrect, please mark this box and make the correction on this form. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes. *Please note, you cannot change ownership of your securities using this form.*

GME RESOURCES LIMITED
(ABN 62 009 260 315)

AMENDMENTS TO NOTICE OF MEETING

AGENDA

Resolution 3 of the Agenda reads:

3. ISSUE OF OPTIONS TO MANAGING DIRECTOR – JAMES SULLIVAN

“That, for the purposes of Listing Rule **7.1** and all other purposes, Shareholders approve the proposed issue of 500,000 options to the Managing Director, Mr James Noel Sullivan, for the purposes and on the terms set out in the Explanatory Statement.”

Resolution 3 of the Agenda has been amended to read as follows:

3. ISSUE OF OPTIONS TO MANAGING DIRECTOR – JAMES SULLIVAN

“That, for the purposes of Listing Rule **10.11** and all other purposes, Shareholders approve the proposed issue of 500,000 options to the Managing Director, Mr James Noel Sullivan, for the purposes and on the terms set out in the Explanatory Statement.”

EXPLANATORY STATEMENT

Resolution 3 of the Explanatory Statement reads:

3. RESOLUTION 3 – ISSUE OF OPTIONS TO DIRECTOR - JAMES SULLIVAN

“That, for the purposes of Listing Rule **7.1** and all other purposes, Shareholders approve the proposed issue of 500,000 options to the Managing Director, Mr James Noel Sullivan, for the purposes and on the terms set out in the Explanatory Statement.”

Shareholder approval for the grant of the Options the subject of Resolution 3 is sought for the purposes of:

- Division 3 of Part 2E.1 of the Corporations Act – which governs the giving of financial benefits to ‘related parties’, eg directors of a company;
- **Listing Rule 7.1 – which generally prohibits a company from issuing more than 15% of its capital within a 12 month period without Shareholder approval; and**
- Listing Rule 10.11 – which requires the grant of securities to a related party of a Company to be approved by Shareholders.

Resolution 3 of the Explanatory Statement has been amended to read as follows:

3. RESOLUTION 3 – ISSUE OF OPTIONS TO DIRECTOR - JAMES SULLIVAN

“That, for the purposes of Listing Rule **10.11** and all other purposes, Shareholders approve the proposed issue of 500,000 options to the Managing Director, Mr James Noel Sullivan, for the purposes and on the terms set out in the Explanatory Statement.”

Shareholder approval for the grant of the Options the subject of Resolution 3 is sought for the purposes of:

- Division 3 of Part 2E.1 of the Corporations Act – which governs the giving of financial benefits to ‘related parties’, eg directors of a company; and
- Listing Rule 10.11 – which requires the grant of securities to a related party of a Company to be approved by Shareholders. **If approval is given under listing rule 10.11, approval is not required under listing rule 7.1.**