
TUNGSTEN MINING NL

ABN 67 152 084 403

NOTICE OF ANNUAL GENERAL MEETING

TIME: 9:00am WST

DATE: Wednesday, 27 November 2013

PLACE: 150 East Riverside
150 Great Eastern Highway
Ascot WA 6104

This Notice of Meeting and accompanying Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9477 3031.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting will be held at **9:00am WST** on **Wednesday, 27 November 2013** at 150 East Riverside, **150 Great Eastern Highway**, Ascot 6104, Western Australia.

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

You can appoint a proxy to attend and vote on your behalf as an alternative to attending the meeting in person or casting a direct vote.

A proxy need not be a Shareholder and may be an individual or a company. If you are entitled to cast two or more votes at the Meeting, you may appoint up to two proxies, and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes.

To vote by proxy, please complete and sign the enclosed Proxy Form in accordance with the instructions set out on the form and either send the Proxy Form:

- (a) by post, to Tungsten Mining NL, Suite 3, 23 Belgravia Street, Belmont WA 6104; or
- (b) by facsimile, to the Company on facsimile number (08) 9475 0847,

so that it is received not later than **9.00am WST** on **Monday, 25 November 2013**.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of shareholders of Tungsten Mining NL will be held at 150 East Riverside, 150 Great Eastern Highway, Ascot 6104, Western Australia.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are 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 Annual General Meeting are those who are registered Shareholders at 4:00pm WST on Monday, 25 November 2013.

Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

AGENDA

Reports and Accounts

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2013, together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

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

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the Company to adopt the Remuneration Report for the financial year ended 30 June 2013.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company. However, if 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all the Company's directors (other than the Managing Director) must go up for re-election.

Voting Exclusion: Votes cannot be cast on this Resolution by or on behalf of a member of the Key Management Personnel (or any of their Closely Related Parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PATRICK MCMANUS

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

“That, for the purpose of Listing Rule 14.4, clause 11.3 of the Constitution and for all other purposes, Patrick McManus, being a Director, retires by rotation and, being eligible, is re-elected as a Director.”

3. RESOLUTION 3 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

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

“That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the number of Shares on issue (at the time of the issue) over a 12 month period, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions and in the manner set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the proposed issue of Equity Securities and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares if the resolution is passed (and any associates of those persons). 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. RESOLUTION 4 – APPROVAL TO ISSUE SHARES TO PAUL BERNDT

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

“That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 2,500,000 Shares to Paul Berndt (or his nominee(s)), on the terms and conditions and in the manner set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Paul Berndt and his nominee(s) and any of his associates. 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. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their Closely Related Parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

5. RESOLUTION 5 – APPROVAL TO GRANT OPTIONS TO PATRICK MCMANUS

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

“That, subject to Resolution 2 being passed, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to grant 250,000 Director Options to Patrick McManus on the terms and conditions and in the manner set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Patrick McManus and any of his associates. 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. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their Closely Related Parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

6. RESOLUTION 6 – APPROVAL TO GRANT OPTIONS TO FRANCIS LOH

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

“That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to grant 250,000 Director Options to Francis Loh on the terms and conditions and in the manner set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Francis Loh and any of his associates. 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. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their Closely Related Parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.

7. RESOLUTION 7 – APPROVAL TO ISSUE SHARES UNDER THE DIRECTOR AND SENIOR MANAGEMENT FEE AND REMUNERATION SACRIFICE SHARE PLAN

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

“That, for the purpose of Listing Rule 7.2 Exception 9 and for all other purposes, Shareholders approve the Director and Senior Management Fee and Remuneration Sacrifice Share Plan and the issue of Shares to participants (or their nominee(s)) under that plan, on the terms and conditions and in the manner set out in the Explanatory Statement.”

Voting Exclusion: *The Company will disregard any votes cast on this Resolution by any Director (or their nominee(s)), except one who is ineligible to participate in any employee incentive scheme in relation to the Company, as set out in the Explanatory Statement, and any associate 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.*

8. RESOLUTION 8 – APPROVAL TO PERMIT THE PARTICIPATION OF PATRICK MCMANUS IN THE DIRECTOR AND SENIOR MANAGEMENT FEE AND REMUNERATION SACRIFICE SHARE PLAN

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

“That, for the purpose of Listing Rule 10.14 and for all other purposes, the Company is authorised to issue Shares to Patrick McManus (or his nominee(s)) pursuant to the Director and Senior Management Fee and Remuneration Sacrifice Share Plan, on the terms and conditions and in the manner set out in the Explanatory Statement.”

Voting Exclusion: *The Company will disregard any votes cast on this Resolution by any Director (and their nominee(s)), except one who is ineligible to participate in any employee incentive scheme in relation to the Company, as set out in the Explanatory Statement, and any associate 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.*

9. RESOLUTION 9 – APPROVAL TO PERMIT THE PARTICIPATION OF PAUL BERNDT IN THE DIRECTOR AND SENIOR MANAGEMENT FEE AND REMUNERATION SACRIFICE SHARE PLAN

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

“That, for the purpose of Listing Rule 10.14 and for all other purposes, the Company is authorised to issue Shares to Paul Berndt (or his nominee(s)) pursuant to the Director and Senior Management Fee and Remuneration Sacrifice Share Plan, on the terms and conditions and in the manner set out in the Explanatory Statement.”

Voting Exclusion: *The Company will disregard any votes cast on this Resolution by any Director (and their nominee(s)), except one who is ineligible to participate in any employee incentive scheme in relation to the Company, as set out in the Explanatory Statement, and any associate 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.*

10. RESOLUTION 10 – APPROVAL TO PERMIT THE PARTICIPATION OF FRANCIS LOH IN THE DIRECTOR AND SENIOR MANAGEMENT FEE AND REMUNERATION SACRIFICE SHARE PLAN

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

“That, for the purpose of Listing Rule 10.14 and for all other purposes, the Company is authorised to issue Shares to Francis Loh (or his nominee(s)) pursuant to the Director and Senior Management Fee and Remuneration Sacrifice Share Plan, on the terms and conditions and in the manner set out in the Explanatory Statement.”

Voting Exclusion: *The Company will disregard any votes cast on this Resolution by any Director (and their nominee(s)), except one who is ineligible to participate in any employee incentive scheme in relation to the Company, as set out in the Explanatory Statement, and any associate 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 a person as chair of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides. In addition, the Company will disregard votes on this Resolution cast by a member of the Key Management Personnel (or any of their closely related parties), as proxy, where the appointment does not specify the way the proxy is to vote, unless the proxy is the chair of the meeting and has been expressly authorised to vote on behalf of someone entitled to vote on this Resolution, even though it is connected with the remuneration of Key Management Personnel.*

11. RESOLUTION 11 – APPROVAL TO GRANT OPTIONS TO CONTRACTORS

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

“That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to grant up to a total of 1,300,000 Options to Amanda Wilton-Heald, Bob Van der Laan, Belinda Ting, Peter Bleakley and Ken Brandis on the terms and conditions and in the manner set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Amanda Wilton-Heald, Bob Van der Laan, Belinda Ting, Peter Bleakley and Ken Brandis (and any of their associates) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares if the resolution is passed (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.

DATED: 28 OCTOBER 2013

BY ORDER OF THE BOARD

**AMANDA WILTON-HEALD
COMPANY SECRETARY
TUNGSTEN MINING NL**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding how to vote on the Resolutions. The Directors recommend that Shareholders read this Explanatory Statement in full, together with the accompanying Notice.

FINANCIAL STATEMENTS

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 2013 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The audited financial statements for the year ended 30 June 2013 includes a qualified audit opinion. The basis for the qualified audit opinion was the material uncertainty regarding the Company's ability to continue as a going concern. Please refer to the annual report for the year ended 30 June 2013 for further details.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.tungstenmining.com.

2. RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING RESOLUTION)

2.1 General

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

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2013.

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

2.2 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

- (a) **If you appoint a member of the Key Management Personnel as your proxy** (other than the Chair) or a Closely Related Party of such a member, **you must** direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

- (b) **If you appoint the Chair as your proxy** (where he or she is also a member of the Key Management Personnel or a Closely Related Party of such a member), you **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, **you must** mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his or her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.
- (c) **If you appoint any other person as your proxy**, you **do not** need to direct your proxy how to vote on this Resolution, and you **do not** need to mark any further acknowledgement on the Proxy Form.

3. **RESOLUTION 2 – RE-ELECTION OF PATRICK MCMANUS**

Listing Rule 14.4 provides that, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

A retiring director is eligible for re-election. The directors to retire at any annual general meeting must be 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 must (unless they otherwise agree among themselves) be determined by lot.

Patrick McManus retires and seeks re-election in accordance with Listing Rule 14.4 and clause 11.3 of the Constitution. Details regarding Patrick McManus are set out in the 2013 Annual Report.

The Directors, other than Patrick McManus, recommend that Shareholders vote in favour of Resolution 2.

4. **RESOLUTION 3 – APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY**

4.1 **General**

Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the entity's annual general meeting (**10% Placement Capacity**).

If Shareholders approve Resolution 3, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

4.2 ASX Listing Rule 7.1A

Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$11,858,157 (as at 11 October 2013).

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being the Shares (ASX Code: TGN).

4.3 Technical information required by ASX Listing Rule 7.1A

In accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 4.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Annual General Meeting; and
- (ii) the date of approval by Shareholders of any transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking), after which date, an approval under Listing Rule 7.1A ceases to be valid.

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (variable "A" in Listing Rule 7.1A.2)	Dilution based on number of Shares issued (being 10% of the number of Shares at the time of issue)	Dilution		
		Funds raised based on issue price of \$0.075 (50% decrease in current issue price)	Funds raised based on issue price of \$0.15 (Current issue price)	Funds raised based on issue price of \$0.225 (50% increase in current issue price)
79,054,379 (Current)	7,905,438	\$592,908	\$1,185,816	\$1,778,724
118,581,569 (50% increase)*	11,858,157	\$889,362	\$1,778,724	\$2,668,085
158,108,758 (100% increase)*	15,810,876	\$1,185,816	\$2,371,816	\$3,557,447

*The number of Shares on issue could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 11 October 2013.
2. The issue price set out above is the closing price of the Shares on the ASX on 11 October 2013.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration, in which case the Company intends to use funds raised for:
 - (A) predominantly to progress the corporate transaction announced on the ASX on 2 September 2013; and
 - (B) if there is any remainder, for general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(e) **Allocation under the 10% Placement Capacity**

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company has not previously obtained approval under Listing Rule 7.1A.

(i) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

4.4 ASX Listing Rule 7.3

The Company did not utilise the 10% Placement Capacity during the previous year.

4.5 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

5. RESOLUTION 4 – APPROVAL TO ISSUE SHARES TO PAUL BERNDT

5.1 General

The Company seeks Shareholder approval to issue 2,500,000 Shares to Paul Berndt (or his nominee(s)) (**Director Shares**).

Paul Berndt is the Managing Director of the Company.

Shareholder approval for the grant of the Shares to Paul Berndt is sought for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

5.2 ASX Listing Rule 10.11

Broadly, Listing Rule 10.11 restricts the giving of a financial benefit to, and the issue of securities to, related parties without the prior approval of shareholders. Paul Berndt, a Director, is a related party of the Company.

Listing Rule 10.13 requires the following information to be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11:

- (a) The Director Shares will be issued to Paul Berndt (or his nominee(s)).
- (b) The maximum number of Director Shares issued will be a total of 2,500,000 Shares.
- (c) It is intended that the Director Shares will be issued as soon as practicable, but in any event within one month after the date of the Meeting.
- (d) The Director Shares are being issued for no consideration as a part of Paul Berndt's remuneration. The primary purpose of the issue of Director Shares to Paul Berndt is to provide a performance-linked incentive component in his remuneration package and to motivate and reward his performance in his role as a Director.
- (e) Upon issue, the Director Shares will rank equally with all other ordinary shares in the issued capital of the Company.

5.3 Chapter 2E

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit (which includes the issue of Director Shares) to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions of Chapter 2E of the Corporations Act; or
- (b) prior Shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, Paul Berndt is considered to be a related party of the Company. The proposed issue of Director Shares involves the provision of a financial benefit to Paul Berndt and, therefore, requires prior Shareholder approval.

The following information is provided to Shareholders to enable them to assess the merits of Resolution 4 in respect of the proposed issue of Shares:

- (a) If Resolution 4 is passed, it will permit the giving of a financial benefit to Paul Berndt (or his nominee(s)) and he is a related party by virtue of being a Director.
- (b) The maximum number of Director Shares (being the nature of the financial benefit to be provided) to be issued is 2,500,000 Shares.
- (c) The Director Shares will be issued not later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the issue will occur on one date.
- (d) The nature of the financial benefit proposed to be given is the issue of Director Shares for no cash consideration. Accordingly, no funds will be raised. The primary purpose of the issue of Director Shares to Paul Berndt is to provide a performance-linked incentive component in his remuneration package and to motivate and reward his performance in his role as a Director.
- (e) The remuneration and emoluments from the Company to Paul Berndt for the previous financial year and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Paul Berndt	\$62,929	\$230,135

- (f) Paul Berndt currently has 1,000,000 shares in the Company restricted to 17 December 2014 and 169,000 unrestricted shares.
- (g) If Shareholders approve the issue of Director Shares to Paul Berndt, the effect will be to dilute the shareholding of existing Shareholders by approximately 3.18% on an undiluted basis and based on the number of shares on issue as at the date of this Notice.
- (h) The trading history of Shares on ASX during the last 12 months are as set out below:

	Date	Price
Highest	18 January 2013	\$0.21
Lowest	3 October 2013	\$0.14
Last	11 October 2013	\$0.15

- (i) Paul Berndt declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution. Each of the other Directors recommend that Shareholders vote in favour of Resolution 4 (and none of those Directors have an interest in the outcome of the Resolution).
- (j) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolution 4.

5.4 ASX Listing Rule 7.1

Listing Rule 7.2 Exception 14 provides for an exception to Listing Rule 7.1 where the issue of securities was made with the approval of holders of ordinary shares under Listing Rule 10.11.

As Shareholder approval is sought under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

6. RESOLUTIONS 5 AND 6 – APPROVAL TO GRANT OPTIONS TO PATRICK MCMANUS AND FRANCIS LOH

6.1 General

The Board has resolved to grant up to 500,000 Director Options to Patrick McManus and Francis Loh or their nominee(s). Patrick McManus is the non-executive chairman of the Company. Francis Loh is a non-executive director of the Company.

The grant of the Director Options pursuant to Resolution 5 is subject to the re-election of Patrick McManus as a Director pursuant to Resolution 2.

Shareholder approval for the grant of the Director Options to Patrick McManus and Francis Loh is sought for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

The following information is provided to assist Shareholders in assessing Resolutions 5 and 6. This information has been provided in an aggregated form for ease of understanding and the information in respect of each Resolution is materially similar and to avoid the Notice being unnecessarily long. However, Resolutions 5 and 6 are independent and will be voted on separately.

6.2 ASX Listing Rule 10.11

Broadly, Listing Rule 10.11 restricts the giving of a financial benefit to, and the issue of securities to, related parties without the prior approval of the shareholders. Patrick McManus and Francis Loh, as Directors, are related parties of the Company.

Listing Rule 10.13 requires the following information to be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11:

- (a) Director Options will be granted to Patrick McManus (or his nominee(s)) and Francis Loh (or his nominee(s)).

- (b) The maximum number of Director Options granted will be a total of 500,000 Director Options being up to 250,000 to Patrick McManus (or his nominee(s)) and 250,000 to Francis Loh (or his nominee(s)).
- (c) It is intended that the Director Options will be granted as soon as practicable, but in any event within one month after the date of the Meeting.
- (d) The Director Options are being granted for no consideration (although funds will be raised upon the exercise of any Director Options). The primary purpose of the grant of the Director Options to Patrick McManus and Francis Loh is to provide a performance-linked incentive component in their remuneration package and to motivate and reward their performance in their roles as non-executive chairman of the Company and Director respectively.
- (e) The terms and conditions of the Director Options are set out in Annexure B.

6.3 Chapter 2E

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit (which includes the grant of Director Options) to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions of Chapter 2E of the Corporations Act; or
- (b) prior Shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, Patrick McManus and Francis Loh are considered to be a related parties of the Company. The proposed grant of Director Options involves the provision of a financial benefit to Patrick McManus and Francis Loh and, therefore, requires prior Shareholder approval.

The following information is provided to Shareholders to enable them to assess the merits of Resolutions 5 and 6:

- (a) If Resolutions 5 and 6 are passed, they will permit the giving of a financial benefit to Patrick McManus and Francis Loh (or their nominee(s)).
- (b) The maximum number of Director Options issued will be a total of 500,000 Director Options, being 250,000 to Patrick McManus (or his nominee(s)) and 250,000 to Francis Loh (or his nominee(s)).
- (c) The expiry date of the Director Options will be 5.00 pm WST on the date that is 2 years following the date of issue at an exercise price of \$0.25 per Director Option.
- (d) The Director Options will be granted not later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the issue will occur on one date.

- (e) The nature of the financial benefit proposed to be given is the grant of the Director Options for no consideration. The primary purpose of the grant of the Director Options is to provide a performance-linked incentive component in the remuneration package and to motivate and reward Patrick McManus' and Francis Loh's performance.
- (f) The remuneration and emoluments from the Company to Patrick McManus and Francis Loh for the previous financial year and emoluments for the current financial year are set out below:

	Current Financial Year	Previous Financial Year
Patrick McManus	\$32,500	\$32,500
Francis Loh	\$21,665	\$21,665

- (g) Patrick McManus has the following relevant interests in securities of the Company:
- (i) 20,000 Shares in the Company; and
 - (ii) 75,000 Options exercisable at \$0.40 and expiring on 30 June 2016.
- (h) Francis Loh has no relevant interest in any securities of the Company.
- (i) If Shareholders approve the issue of Director Options to Patrick McManus and Francis Loh, and all of the Director Options are exercised, the effect will be to dilute the shareholding of existing Shareholders by approximately 0.63% on an undiluted basis and based on the number of Shares on issue as at the date of this Notice. The market price for Shares during the term of the Director Options would normally determine whether or not the Patrick McManus or Francis Loh exercises the Director Options. If, at the time any of the Director Options are exercised, the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.
- (j) The trading history of Shares on ASX during the last 12 months are as set out below:

	Date	Price
Highest	18 January 2013	\$0.21
Lowest	3 October 2013	\$0.14
Last	11 October 2013	\$0.15

- (k) The Board recognises that Box 8.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations states that non-executive directors should not receive options or bonus payments. However, the Board considers the grant of a small number of Director Options to Patrick McManus and Francis Loh is appropriate in the circumstances for the reasons set out below:
- (i) the grant of Director Options to Patrick McManus and Francis Loh (or their nominee(s)) will align their interests with those of Shareholders;

- (ii) the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations and other commitments than it would if alternative cash forms of remuneration were given to Patrick McManus and Francis Loh;
 - (iii) the Board wishes to retain Patrick McManus and Francis Loh as Board members, given their experience; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Options upon the terms proposed.
- (k) Patrick McManus declines to make a recommendation to Shareholders in relation to Resolutions 5 due to his material personal interest in the outcome of the Resolution. Each of the other Directors recommend that Shareholders vote in favour of Resolution 5 (and none of those Directors have an interest in the outcome of Resolution 5).
 - (l) Francis Loh declines to make a recommendation to Shareholders in relation to Resolutions 6 due to his material personal interest in the outcome of the Resolution. Each of the other Directors recommend that Shareholders vote in favour of Resolution 6 (and none of those Directors have an interest in the outcome of Resolution 6).
 - (m) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolutions 5 and 6.

6.4 Terms and value of the Director Options

The terms and conditions of the Director Options are set out in Annexure B.

The Director Options have been valued using the Black & Scholes pricing model and based upon the following assumptions:

- (a) the Director Options expire 2 years from the date of grant;
- (b) the exercise price of each Director Option is \$0.25;
- (c) a volatility factor of 75% based on the historical volatility of the Company's Share price;
- (d) a risk free interest rate of 2.50% based on the Commonwealth Government Securities rate as at 11 October 2013; and
- (e) the valuation date for the Director Options was 11 October 2013 and the Share price on that date was \$0.15.

Based on the above, the 500,000 Director Options proposed to be issued to the Directors pursuant to Resolutions 5 and 6 have been valued at:

- (a) \$10,225, in relation to the Director Options issued to Patrick McManus; and

(b) \$10,225, in relation to the Director Options issued to Francis Loh.

6.5 ASX Listing Rule 7.1

Listing Rule 7.2 Exception 14 provides for an exception to Listing Rule 7.1 where the issue of securities was made with the approval of holders of ordinary shares under Listing Rule 10.11.

As Shareholder approval is sought under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

7. RESOLUTIONS 7 TO 10 – APPROVAL TO ISSUE SHARES UNDER THE DIRECTOR AND SENIOR MANAGEMENT FEE AND REMUNERATION SACRIFICE SHARE PLAN

7.1 General

The Board intends to establish a Director and Senior Management Fee and Remuneration Sacrifice Share Plan (**Plan**) under which Directors and senior management of the Company who are eligible to be offered shares without prospectus disclosure (**Senior Managers**) may elect to sacrifice part of their directors' fees or consulting fees to acquire Shares in the Company. The relevant Director or Senior Manager will receive the remainder of their directors' fees or consulting fees in cash. As such, the Shares will be issued for nil cash consideration and no funds will be raised as a result. The Board considers that the issue of Shares to Directors and Senior Managers in lieu of cash payments for Directors fees or consulting fees is reasonable in the circumstances given the necessity to maintain the Company's cash reserves. The Plan also helps to align the interests of Directors and Senior Managers with those of Shareholders by encouraging Director and Senior Manager Share ownership.

Shareholder approval for the issue of Shares under the Plan is sought for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14. As approval of Shareholders is being sought for the Company to adopt the Plan, and issue Shares pursuant to the Plan, Shareholder approval under Listing Rule 7.1 is not required, in accordance with Exception 9 of Listing Rule 7.2.

Resolution 7 seeks Shareholder approval of the Plan.

Resolutions 8 to 10 seeks Shareholder approval for the issue of Shares to specified Directors under the Plan.

If approved at the Meeting, any Shares issued pursuant to the approvals in Resolutions 7 to 10 must be issued within three years of the date of this Meeting.

If Resolution 7 is approved, but if any of Resolutions 8 to 10 are not approved with respect to any specified Director, then that Director will be excluded from participating in the Plan (but approved Directors and Senior Managers can still participate). If Resolutions 8 to 10 are approved but Resolution 7 is not, then both Directors and Senior Managers will be able to participate in the Plan, but such Shares will (on issue) count towards the Company's 15% placement capacity under Listing Rule 7.1. If neither Resolution 7 nor Resolutions 8 to 10 are passed, then only Senior Managers of the Company (and not Directors) will be able to participate in the Plan and any Shares issued will count towards the Company's 15% placement capacity under Listing Rule 7.1.

The following information is provided to assist Shareholders in assessing Resolutions 7 to 10. This information has been provided in an aggregated form for ease of understanding as the information in respect of each Resolution is materially similar and to avoid the Notice being unnecessarily long.

7.2 ASX Listing Rule 7.1

Broadly, Listing Rule 7.1 provides that a company may not issue equity securities if those securities will, in themselves or when aggregated with the equity securities issued by the company during the previous 12 months, exceed 15% of the number of equity securities on issue at the commencement of that 12 month period unless the issue falls within one of the nominated exceptions or approval of the company's shareholders in general meeting is obtained.

Listing Rule 7.2 Exception 9 provides for an exception to Listing Rule 7.1 where the issue of securities are made under an employee incentive scheme that has been approved by shareholders within three years before the date securities are issued under the scheme.

7.3 ASX Listing Rule 10.14 and 10.15A

In addition to Listing Rule 7.1, Listing Rule 10.14 restricts the issue of securities under an employee incentive scheme to Directors without the prior approval of shareholders.

In order to comply with Listing Rule 10.14, the notice convening the meeting at which approval will be sought must comply with either Listing Rule 10.15 or 10.15A. Where shares may be issued later than 12 months following a meeting, the notice must comply with the requirements of Listing Rule 10.15A. Accordingly, in order for Directors to participate in the Plan and be issued Shares later than 12 months following the Meeting, Shareholder approval is being sought for the purposes of Listing Rule 10.14 and the information required by Listing Rule 10.15A is set out below.

As required by the Listing Rules (including Listing Rule 7.2 Exception 9 and Listing Rule 10.15A), and to assist Shareholders in considering Resolutions 7 to 10, the Company provides the following information in relation to the Plan.

7.4 Principal terms of the Plan

Subject to Shareholder approval, it is proposed that present and future Directors and certain Senior Managers as chosen by the Board, be offered the opportunity to participate in the Plan and be able to elect to sacrifice part of their directors' fees or executive remuneration to acquire Shares under the Plan.

If Resolutions 8 to 10 are approved, it is anticipated that participation in the Plan will be made available to the Directors immediately. Offers to participate may be extended to Senior Managers in the future as the Board considers appropriate.

The principal terms of the Plan are as follows:

(a) **Participation**

Participation in the Plan is voluntary. All Directors in office from time to time are eligible to participate (unless participation by a Director would be contrary to law or be unduly onerous). In the event that a Director elects to participate in the Plan, participation at the elected level (i.e. percentage of fees sacrificed) will be mandatory for a period of 12 months.

Where a Director has opted to participate in the Plan and, before the Shares relating to that period have been issued, the Director ceases to be a Director of the Company, the Director will either be issued a number of Shares or an amount in cash calculated based on the fees sacrificed up to the date on which the participant ceased to be a Director.

Currently there are three (3) Directors who are each eligible to participate: Paul Berndt (managing director), Patrick McManus (non-executive chairman) and Francis Loh (non-executive director).

Invitations to participate in the Plan may be extended to Senior Managers at the Board's discretion.

(b) **Commencement date**

Subject to Shareholder approval being obtained, the terms of the Plan are intended to commence from 1 January 2014 the Directors will be eligible to sacrifice up to 30% of their respective directors' fees from that date.

(c) **Minimum and maximum participation**

Participants in the Plan may elect the percentage (up to a maximum of 30%) of their annual directors' fees or executive remuneration (as applicable) they wish to sacrifice per annum.

The Plan restricts payments being made if they would result in the Company exceeding:

- (i) the maximum aggregate remuneration for non-executive directors approved by Shareholders under Listing Rule 10.17 from time to time (which, as at the date of this Notice, is \$500,000); and
- (ii) an aggregate amount of \$90,000 worth of Shares per annum for all executive directors of the Company from time to time (currently the Company has only one executive director, Paul Berndt).

The Plan does not extend to amounts payable in respect of Goods and Services Tax (**GST**). If the Company is liable to pay GST to participating Directors in respect of the provision of services, then it will do so in cash.

(d) **Timing of acquisition and number of Shares**

Entitlement to Shares will accrue on a monthly basis and the number of Shares to be issued will be determined at the end of each month based on the amount sacrificed divided by the volume weighted average price of the Company's Shares trading on the ASX over the five (5) Trading Days immediately preceding the end of the month.

Allocation of Shares will be made at six (6) month intervals. If the Company is unable to issue Shares at the end of a six (6) month period without breaching the Company's share trading policy (**Share Trading Policy**) or an applicable law, Shares will then be issued as soon as practicable in compliance with the Share Trading Policy and all applicable laws.

(e) **Shares acquired**

Participating Directors and Senior Managers will receive fully paid ordinary shares in the Company that rank equally in all respects with other issued fully paid shares in the Company.

(f) **Restriction periods**

There will be no restriction period applicable to Shares issued under the Plan although Shares will only be issued in compliance with the Company's Share Trading Policy and all applicable laws.

(g) **Acquisition costs**

It is not envisaged that there will be any costs to Directors or Senior Managers to acquire Shares under the Plan. There will be no loan made available to Directors or Senior Managers in relation to the acquisition of Shares under the Plan.

If Shares are not able to be allocated to a participating Director or Senior Manager (eg. because of legal impediments applicable at the time), the issue of Shares may be delayed or alternatively, at the Board's discretion, be paid to the Director or Senior Manager in cash.

(h) **Details of Shares issued under Plan**

As the Plan has not yet been adopted, no Shares have been issued or otherwise acquired under it. Details of any Shares issued under the Plan will be published in the Company's annual report relating to the period in which Shares have been issued, with a statement that approval for the issue of Shares was obtained under Listing Rule 10.14.

If Resolution 7 is approved by Shareholders, Shares will not be issued to Directors under the Plan after 3 years from the date of the Meeting without obtaining Shareholder approval.

(i) **Waiver of Listing Rules**

In addition to the information set out above, Listing Rule 10.15A requires the following information to be included in a notice of meeting seeking shareholder approval for the purposes of Listing Rule 10.14:

- (i) the maximum number of shares that may be acquired by directors under the applicable plan; and
- (ii) a statement that any additional persons who become entitled to participate in the applicable plan after the resolution was approved and who were not named in the notice will not participate until approval is obtained for their participation under Listing Rule 10.14.

The Company has applied for the following waivers from ASX in relation to the approval sought under Resolutions 8 to 10 (to permit Director participation in the Plan):

- (iii) a waiver of Listing Rule 10.15A.2 to permit this Notice to omit the maximum number of Shares that may be acquired by Directors (or their nominee(s)) under the Plan (given that such details cannot be accurately determined at this time); and
- (iv) a waiver of Listing Rule 10.15A.8 to permit this Notice to state that the Plan applies to the Directors in office from time to time and who become entitled to participate in the Plan (and their nominee(s)) (rather than having to set out the names of all such people who may be or become eligible to participate in the Plan).

As at the date of this Notice, ASX has not granted the waivers sought. If the waivers are not obtained by the date of the Meeting, the Company will withdraw Resolutions 7 to 10 and those Resolutions will not be voted on at the Meeting.

7.5 Potential Shares to be issued under the Plan

Set out below are some examples of the number of Shares that may be issued to Directors and Senior Managers under the Plan, based on various assumed prices for Shares. These are examples only and Shareholders should be aware that the actual number of Shares to be issued to Directors and Senior Managers may vary, based on the prevailing Share price at the time the number of Shares to be issued is calculated, and the percentage of fees (or executive remuneration) each Director (or Senior Manager) elects to sacrifice.

The total amount of annual directors' fees and executive remuneration currently being paid to directors is \$354,165 (\$300,000 to the executive director with the remaining \$54,165 being paid to the non-executive directors in varying proportions).

If each of the Directors elect to sacrifice the maximum amount permitted of 30% for a 12 month period, this will result in a maximum salary sacrifice value of \$106,249.50 for all Directors (based on current director fees and executive remuneration). Based on a Share price of 15 cents per ordinary share, the total number of Shares that could be issued to Directors if they sacrificed the full 30% of their current fees would be 708,330. This would dilute current shareholders by the percentages set out below based on the Company's current share capital:

Description	Ordinary fully paid shares	Dilution
Current share capital	79,054,379	0.85%

Based on each Director sacrificing 30% of their current fees for the 12 month period ending 30 June 2014 and a Share price of 15 cents per ordinary share, each Director will be issued approximately the number of Shares detailed below:

Director	Annual directors fees paid to Director	Amount sacrificed during the period (based on 30% of fees foregone for the period)	Number of Shares to be issued (based on a price of 14.5 cents per ordinary share)
Patrick McManus	\$32,500	\$9,750	65,000
Paul Berndt	\$300,000	\$90,000	600,000
Francis Loh	\$21,665	\$6,499.50	43,330
Total	\$354,165	\$106,249.50	708,330

Set out below is a further table showing the maximum dilution assuming the fees paid to each of the non-executive directors are increased to the maximum currently permitted under Listing Rule 10.17 (being \$500,000) and the executive directors are increased to the maximum permitted under the Plan (being \$300,000). Again, based on a Share price of 15 cents per Share, the total number of ordinary shares that could be issued to Directors if they sacrificed the full 30% and increased their fees to the maximum permitted under the Listing Rules and the restriction on executive directors under the Plan (being \$240,000) would be 1,600,000 Shares. This would dilute current shareholders as follows:

Description	Ordinary fully paid shares	Dilution
Current share capital	79,054,379	2.02%

The trading history of the Shares on the ASX in the 12 months preceding the preparation of this Notice is set out below. Based on the Share prices set out below and each Director sacrificing 30% of their current director's fees (resulting in a maximum salary sacrifice value of \$106,249.50), the Company's issued Shares will increase and the existing Shareholders' holdings will be diluted as set out below.

	Date	Price	Increase in Shares	Dilution (%)
Highest	18 January 2013	\$0.21	505,950	0.06
Lowest	3 October 2013	\$0.14	758,925	0.09
Last	11 October 2013	\$0.15	708,330	0.08

While the Plan provides for the number of Shares to be issued to be calculated at the end of each month during the period for the purposes of the calculations set out in the tables above, it is assumed that the price used is the price for each month of the period.

8. RESOLUTION 11 – APPROVAL TO GRANT OPTIONS TO CONTRACTORS

8.1 General

Resolution 11 seeks Shareholder approval for the grant a total of 1,300,000 Options to Amanda Wilton-Heald, Bob Van der Laan, Belinda Ting, Peter Bleakley and Ken Brandis (**Contractors**) in consideration for services provided to the Company.

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.

The effect of Resolution 11 will be to allow the Directors to grant the Options 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.

8.2 ASX Listing Rule 7.1

Broadly, Listing Rule 7.1 provides that a company may not issue equity securities if those securities will, in themselves or when aggregated with the equity securities issued by the company during the previous 12 months, exceed 15% of the number of equity securities on issue at the commencement of that 12 month period unless the issue falls within one of the nominated exceptions or approval of the company's shareholders in general meeting is obtained.

Shareholder approval is being sought for the purpose of Listing Rule 7.1 for the grant of the Options to the Contractors, so that it does not impact the Company's 15% threshold.

Listing Rule 7.3 requires the following information to be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 7.1:

- (a) The maximum number of securities to be issued is 1,300,000 Options in the following manner:

Title	Personnel	Options
Company Secretary	Amanda Wilton-Heald	200,000
CFO	Bob Van der Laan	200,000
Company Secretary/CFO Assistant	Belinda Ting	200,000
Chief Geologist	Peter Bleakley	500,000
Contract Geologist	Ken Brandis	200,000
	Total	1,300,000

- (b) The Options will be granted for no cash consideration as the Options will be issued in consideration for the Contractors services to the Company.

- (c) The expiry date of the Options will be 5.00 pm WST on the date that is 2 years following the date of issue at an exercise price of \$0.25 per Option.
- (d) The Options to be granted pursuant to Resolution 11 will be issued on the terms and conditions set out in Annexure C.
- (e) The Options will be granted to the Contractors, who are not related parties of the Company.
- (f) The Options will be granted as soon as practicable after the Meeting, but in any event not later than 3 months after the date of the Meeting and it is anticipated that the issue will occur on one date rather than on a progressive basis.

None of the Directors has a material personal interest in the subject matter of Resolution 11. The Board believes that the proposed Resolution is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 11 as the securities represent reasonable remuneration for services provided to the Company, will preserve the Company's cash reserves and will provide an incentive for the Contractors to provide ongoing services to the Company.

GLOSSARY

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

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 4 of this Explanatory Statement.

2013 Annual Report means the Company's annual report for the year ended 30 June 2013, which can be downloaded from the Company's website at www.tungstenmining.com.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 724 791).

ASX Listing Rules or **Listing Rules** means the official Listing Rules of ASX.

Board means the Board of Directors of the Company.

Company or **Tungsten Mining** means Tungsten Mining NL (ABN 67 152 084 403).

Contractors means Amanda Wilton-Heald, Bob Van der Laan, Belinda Ting, Peter Bleakley and Ken Brandis.

Constitution means the Company's constitution.

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

Director Options means options to acquire Shares to be granted to Patrick McManus and Francis Loh if Resolutions 5 and 6 are approved by Shareholders on the terms and conditions set out in Annexure B.

Directors mean the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement to this Notice.

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.

Meeting means the meeting convened by the Notice.

Notice means the notice of meeting accompanying this Explanatory Statement.

Options means options to acquire Shares to be granted to Contractors if Resolution 11 is approved by Shareholders on the terms and conditions set out in Annexure C.

Plan means the Director and Senior Management Fee and Remuneration Sacrifice Share Plan.

Proxy Form means the proxy form accompanying this Explanatory Statement.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2013 Annual Report.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Senior Managers has the meaning given in section 7.1 of this Explanatory Statement.

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

Shareholder means a shareholder of the Company.

Share Trading Policy has the meaning given in section 7.4 of this Explanatory Statement.

WST means Western Standard Time.

ANNEXURE A - TERMS AND CONDITION OF DIRECTOR OPTIONS

1. Each Director Option entitles the holder to acquire one fully paid ordinary share in the Company (**Share**).
2. No cash consideration is payable for the issue of the Director Options.
3. Each Director Option has an exercise price that is \$0.25 (**Exercise Price**).
4. The Director Options may be exercised, in whole or in part parcels, at any time until 2 years from the date of grant. The Director Options vest immediately upon being granted. Each Director Option may be exercised by forwarding to the Company at its principal office a duly completed exercise notice, together with payment of the Exercise Price for each Director Option exercised. The Director Options will lapse at 5.00pm WST on the date of expiration, being 2 years from the date of grant.
5. The Director Options are not transferable.
6. The Director Options shall not entitle the holder to participate in new issues of securities. However, the holder shall be given notice of any proposed pro rata issue to be made available to shareholders at least nine (9) business days prior to and inclusive of the record date of that issue (to determine entitlements to the issue) to enable them to exercise the Director Options in order to participate in the issue.
7. Shares issued on the exercise of Director Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares issued pursuant to the exercise of a Director Option will rank equally with the then issued ordinary shares of the Company in all respects. The Company will, pursuant to the exercise of a Director Option, apply to ASX for Quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the Listing Rules.
8. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
9. If there is a bonus issue to shareholders, the number of Shares over which the Director Option is exercisable will be increased by the number of Shares which the holder of the Director Option would have received if the Director Option had been exercised before the record date for the bonus issue.
10. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Director Options will be reduced in accordance with Listing Rule 6.22.

ANNEXURE B - TERMS AND CONDITION OF OPTIONS

1. Each Option entitles the holder to acquire one fully paid ordinary share in the Company (**Share**).
2. No cash consideration is payable for the issue of the Options.
3. Each Option has an exercise price that is \$0.25 (**Exercise Price**).
4. The Options may be exercised, in whole or in part parcels, at any time until 2 years from the date of grant. The Options vest immediately upon being granted. Each Option may be exercised by forwarding to the Company at its principal office a duly completed exercise notice, together with payment of the Exercise Price for each Option exercised. The Options will lapse at 5.00pm WST on the date of expiration, being 2 years from the date of grant.
5. The Options are not transferable.
6. The Options shall not entitle the holder to participate in new issues of securities. However, the holder shall be given notice of any proposed pro rata issue to be made available to shareholders at least nine (9) business days prior to and inclusive of the record date of that issue (to determine entitlements to the issue) to enable them to exercise the Options in order to participate in the issue.
7. Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares issued pursuant to the exercise of a Option will rank equally with the then issued ordinary shares of the Company in all respects. The Company will, pursuant to the exercise of an Option, apply to ASX for Quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the Listing Rules.
8. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
9. If there is a bonus issue to shareholders, the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
10. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options will be reduced in accordance with Listing Rule 6.22.

PROXY FORM

**APPOINTMENT OF PROXY
TUNGSTEN MINING NL
ABN 67 152 084 403**

ANNUAL GENERAL MEETING

I/We

of

being a member of Tungsten Mining NL entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, 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 to be held at the 150 East Riverside: 150 Great Eastern Highway, Ascot, Western Australia at 9:00am WST on Wednesday, 27 November 2013, and at any adjournment thereof.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 4, 5, 6, 7, 8, 9, 10 and 11 (except where I have indicated a different voting intention below) even though Resolutions 1, 4, 5, 6, 7, 8, 9, 10 and 11 are connected directly or indirectly with the remuneration of a member of the key management personnel, which includes the Chair. Please note that for Resolutions 4, 5, 7, 8, 9 and 10, this express authority is also subject to you marking the box in the selection below.

If the Chair of the Meeting is (or becomes) your proxy you can direct him to vote for or against or obtain from voting on Resolutions 1, 4, 5, 6, 7, 8, 9, 10 and 11 by marking the appropriate box against the relevant Resolution below.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Patrick McManus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval for Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval for Issue of Shares to Paul Berndt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval for the Grant of Options to Patrick McManus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval for the Grant of Options to Francis Loh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval to Issue Shares under the Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Approval for Participation of Patrick McManus in the Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Approval for Participation of Paul Berndt in the Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 Approval for Participation of Francis Loh in the Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 Approval for grant of Options to Contractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Important for Resolutions 4, 5, 7, 8, 9 and 10

If the Chair of the 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 Resolutions 4, 5, 7, 8, 9 and 10 please place a mark in the box below.

By marking this box, you acknowledge that the Chair of the Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 4, 5, 7, 8, 9 and 10 and that votes cast by the Chair of the Meeting for those Resolutions 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 Resolutions 4, 5, 7, 8, 9 and 10 and your votes will not be counted in calculating the required majority if a poll is called on those Resolutions.

Signature of Member(s): _____ Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

E-mail Address: _____ Consent for contact by e-mail YES NO

Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - Directors of the Company;
 - a Director and a company secretary of the Company; or
 - for a proprietary company that has a sole Director who is also the sole company secretary – that Director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole Director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the Proxy Form enclosed and either send the Proxy Form :
 - (a) by post, to Tungsten Mining NL, Suite 3, 23 Belgravia Street, Belmont WA 6104; or
 - (b) by facsimile, to the Company on facsimile number (08) 9475 0847,

so that it is received not later than **9:00am WST on Monday, 25 November 2013.**

Proxy forms received later than this time will be invalid.