



Notice of Annual General Meeting and Explanatory Statement

The Annual General Meeting of

BARU RESOURCES LIMITED

ACN 147 324 847

*Will be held at
10.00am (WST) on Friday, 22 November 2013*

At

*Bennett + Co, Ground Floor, BGC Centre,
28 The Esplanade, Perth, Western Australia*

This Notice of Annual General Meeting and 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 accountant, solicitor or other professional advisor without delay

BARU RESOURCES LIMITED

A.C.N. 147 324 847

Registered office: Level 4, 100 Albert Road, South Melbourne, Victoria 3205

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Baru Resources Limited ("Baru" or the "Company") will be held at Bennett + Co, Ground Floor, 28 The Esplanade, Perth, Western Australia on Friday, 22 November 2013 at 10.00am (WST).

AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2013.

Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly no resolution will be put to shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

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

"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2013 be adopted."

Voting Exclusion

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

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

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

- (c) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described in sub-paragraphs (a) or (b) above; or*
- (d) the person is the Chairman of the Annual General Meeting voting an undirected proxy which expressly authorises the Chairman to vote the proxy on a resolution connected with the remuneration of a member of Key Management Personnel.*

Notes: Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by either marking the box for Resolution 1. By marking the Chairman's box on the proxy form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 2: Board Spill Meeting Resolution

If the outcome of Resolution 1 is such that at least 25% of the votes cast are against the adoption of the Remuneration Report, the Company is required by law to put the following resolution to the Meeting.

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

“That:

- (a) a a general meeting of the Company (‘Spill Meeting’) be held within 90 days of this Annual General Meeting;*
- (b) all of the directors in office when the resolution to put the directors’ report for the financial year ended 30 June 2013 to shareholders for consideration at this Annual General Meeting was passed other than the managing director (such director being Peter Avery) cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting pursuant to paragraph (b) above must be put to the vote of shareholders at the Spill Meeting.”*

Voting Exclusion

A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

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

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

- (c) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described in sub-paragraphs (a) or (b) above; or*
- (d) the person is the Chairman of the Annual General Meeting voting an undirected proxy which expressly authorises the Chairman to vote the proxy on a resolution connected with the remuneration of a member of Key Management Personnel.*

Notes: Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by either marking the box for Resolution 1. By marking the Chairman’s box on the proxy form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.

Resolution 3: Re-election of Mr Peter Avery as a Director of the Company

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

“That Mr Peter Avery, a director retiring in accordance with Rule 8.3 of the Company’s constitution and being eligible, is re-elected as a director of the Company.”

Notes: The non-candidate directors unanimously support the re-election of Mr Peter Avery. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Peter Avery’s re-election.

Resolution 4: Re-election of Mr Ian Lovett as a Director of the Company

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

“That Mr Ian Lovett, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for re-election, be elected as a director of the Company.”

Notes: The non-candidate directors unanimously support the re-election of Mr Ian Lovett. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Ian Lovett’s re-election.

Resolution 5: Re-election of Mr Philip Thick as a Director of the Company

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

“That Mr Philip Thick, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for re-election, be elected as a director of the Company.”

Notes: The non-candidate directors unanimously support the re-election of Mr Philip Thick. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Philip Thick’s re-election.

Resolution 6: Re-election of Mr Danie Van Den Bergh as a Director of the Company

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

“That Mr Danie Van Den Bergh, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for re-election, be elected as a director of the Company.”

Notes: The non-candidate directors unanimously support the re-election of Mr Danie Van Den Bergh. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Danie Van Den Bergh’s re-election.

Resolution 7: Approval of Issue of Securities Pursuant to Employee Share Option Plan

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

“That for the purposes of ASX Listing Rule 7.2 exception 9(b), approval is given for the issue of securities under the Company’s Employee Share Option Plan on the terms and conditions as described in the Explanatory Statement.”

Voting Exclusion

The Company will disregard any votes cast on this resolution by a director of the Company and any associates of those persons.

However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 8: Grant of Options to Mr Kevin Nichol (or his nominee)

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

“That pursuant to and in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001, approval be given to grant 5 million Options to Mr Kevin Nichol (a Director of the Company) or his nominee, as described in the Explanatory Statement.”

Voting Exclusion

The Company will disregard any votes cast on this resolution by Mr Nichol and any associate of Mr Nichol. However, the Company need not disregard a vote if:

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

Resolution 9: Grant of Options to Mr Peter Avery (or his nominee)

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

“That pursuant to and in accordance with ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001, approval be given to grant 5 million Options to Mr Peter Avery (a Director of the Company) or his nominee, as described in the Explanatory Statement.”

Voting Exclusion

The Company will disregard any votes cast on this resolution by Mr Avery and any associate of Mr Avery. However, the Company need not disregard a vote if:

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

Resolution 10: Change of Company Name

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, in accordance with Section 157 of the Corporations Act 2001 (Cth), shareholders approve the Company changing its name to Discovery Africa Limited with effect from the day on which the Australian Securities and Investments Commission alters the details of the Company’s registration.”

Resolution 11: Approval of 10% Placement Facility

To consider and, if thought fit, pass the following resolution as a special resolution:

“That, pursuant to and in accordance with Listing Rule 7.1A, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement”

Voting Exclusion

A vote in respect of Resolution 11 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a person who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed; or*
 - (b) an associate of that person,*
- unless:*
- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; and*
 - (b) it is cast by the Chairman 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.*

Questions and Comments

The Chairman will allow a reasonable opportunity for shareholders at the meeting to ask questions about or make comments on the management of the Company.

By order of the Board



Melanie Leydin
Company Secretary
Melbourne

21 October 2013

EXPLANATORY STATEMENT

Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2013 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the auditor's report) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years. Alternatively you may access the Annual Report at the Company's website: www.baru.com.au or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

Resolution 1 – Adoption of Remuneration Report

The Corporations Act, pursuant to sections 249L(2) and 250(2), requires that at a listed Company's Annual General Meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, section 250R(3) of the *Corporations Act 2001* expressly provides that the vote on 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 (described as "**Key Management Personnel**") as required by section 300 of the Corporations Act. 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, as required by section 250SA of the Corporations Act.

Pursuant to the *Corporations Amendment (Improving Accountability for Director and Executive Remuneration) Bill 2011* which amended the Corporations Act from 1 July 2011, if 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive annual general meetings (effectively, "two strikes"), shareholders will be required to vote at the second of those annual general meetings on a resolution (referred to as a "spill resolution") to require another meeting be held within 90 days at which all of the Company's Directors as at the date the Company's second remuneration report was approved by the Board (other than the Managing Director) must go up for re-election. The spill resolution requirements will only be triggered where both strikes occur after 1 July 2011.

Also, the *Corporations Amendment (Improving Accountability for Director and Executive Remuneration) Bill 2011* has introduced new prohibitions on key management personnel ("KMP") and their closely related parties from voting or voting undirected proxies on, amongst other things, remuneration matters. Accordingly, any undirected proxies held by Directors or by other Key Management Personnel or their closely related parties for the purposes of Resolution 1 will not be voted on Resolution 1. This prohibition does not apply the Chairman of the meeting who may vote directed and undirected proxies in favour of the resolution, providing that the shareholder expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the relevant entity.

The Company encourages all Shareholders to cast their votes in relation to Resolution 1 and if Shareholders choose to appoint a proxy, Shareholders are encouraged to direct their proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the proxy form. The Chairman of the meeting will vote undirected proxies in favour of Resolution 1.

Resolution 2 – Board Spill Meeting Resolution

This resolution will only be put to a vote if at least 25% of the votes cast on the resolution to adopt the Remuneration Report (Resolution 1) are cast against the adoption of the report. Such an against vote will constitute a second strike for the Company as at the 2012 AGM, the resolution to approve the company's Remuneration Report received "no" votes of more than 25%.

If the Company receives a second strike and this resolution is passed, it will be necessary for the Board to convene a further general meeting ("Spill Meeting") of the Company within 90 days of the Annual General Meeting in order to consider the composition of the Board.

If a Spill Meeting is held, Peter Avery (assuming he is re-elected at this meeting) will automatically vacate office at the conclusion of the Spill Meeting unless he is willing to stand for re-election and is re-elected at that meeting.

The Chairman of the Meeting intends to vote all available proxies against this item of business.

Resolution 3 – Re-election of a Director – Mr Peter Avery

Mr Peter Avery was appointed as a director on 23 November 2010 as a casual vacancy, was re-elected at the Company's 2012 Annual General Meeting and was appointed as executive chairman on 3 October 2013. Peter retires in accordance with the Company's Constitution and is eligible for re-election.

Peter Avery has over 20 years' professional experience within the stockbroking industry. During the previous 10 years, Peter held a senior role as a private client advisor at Perth broking firm, DJ Carmichael (DJC). Prior to joining DJC, Peter developed specialist skills as an equity advisor at Todd Partners managing client portfolios. Peter's industry experience includes extensive capital raisings within the resource and mining sectors and he holds a Diploma of Financial Planning from Deakin University.

Resolution 4 – Re-election of a Director – Mr Ian Lovett

Mr Ian Lovett was appointed as a director on 2 July 2013 as a casual vacancy and is eligible for re-election.

Since leaving the University of Newcastle in 1975 with a degree in Commerce, Ian has been involved in the reporting, promoting and marketing of junior resource stocks. From 1975 through to 2005 he worked as a financial journalist with a long list of titles including the Sydney Morning Herald, the Financial Times, The Australian, The South China Morning Post and the Daily Telegraph.

Ian's work was also syndicated across News Limited publications. In addition, he provided most of the material for Hot Line, a telephone share tipping service which specialised in junior miners in the 80s and 90s.

In 2005 he left News Ltd and worked in a freelance capacity, assisting junior miners to raise capital, list assets and help them to promote their projects to the wider investment community. Ian's extensive journalist, stockbroking and investment banking contacts proved invaluable in this role and some of his clients included Central West, Morning Star Gold, Silver Mines, Bowen Energy, Norton Gold, and many more.

Resolution 5 – Re-election of a Director – Mr Philip Thick

Mr Philip Thick was appointed as a director on 3 October 2013 as a casual vacancy arising from the successful offer by the Company to take over Argosy Minerals Limited and is eligible for re-election.

Mr Thick is also a director of Argosy Minerals Limited.

Mr Thick worked for Alcoa Australia Limited before joining Shell Australia Limited. His 20 year career with Shell covered roles around Australia and 3 years in London. He was an Executive Director of Shell Australia Limited from 2003 to 2006 and was responsible for the Downstream Oil business across Australia and the Pacific Islands. From 2008 to 2012 he served as CEO of Coogee Chemicals. Mr Thick is currently Managing Director of New Standard Energy, Chairman of Perth Home Care Services and Non-Executive Director of MHM Metals Limited.

Resolution 6 – Re-election of a Director – Mr Danie Van Den Bergh

Mr Danie Van Den Bergh was appointed as a director on 3 October 2013 as a casual vacancy arising from the offer by the Company to take over Argosy Minerals Limited and is eligible for re-election.

Mr Van Den Bergh is also a director of Argosy Minerals Limited.

Mr Van Den Bergh has worked at various Anglo American operations over a period of 26 years. Thereafter he joined Durban Roodepoort Deep as their new business executive during which time he gained extensive experience internationally and in various countries in Africa. He joined Investec Bank in their corporate finance division for four years during which time he was involved in various projects including company listings. Mr Van Den Bergh is currently a shareholder and director in various mining ventures

Resolution 7 – Approval of Issue of Securities under Employee Share Option Plan

The Company's Directors believe an ESOP will form an important part of a comprehensive remuneration strategy for the Company's employees, aligning their interests with those of Shareholders by linking their rewards to the long term success of the Company and its financial performance.

ASX Listing Rule 7.1 imposes a limit on the number of equity securities which the Company can issue without prior shareholder approval. In general terms this limit is no more than 15% of the number of fully paid ordinary shares on issue.

ASX Listing Rule 7.2 exception 9 provides that an issue of securities made under an employee incentive scheme (such as the ESOP) is not counted for the purposes of ASX Listing Rule 7.1 provided that certain conditions have been met. One of these conditions is that members have, within the last three years, approved the issue of securities under the scheme as an exception to ASX Listing rule 7.1. Such shareholder approval is sought by Resolution 7.

For the purpose of approval pursuant to exception 9(b) to Listing Rule 7.2 a summary of the terms of the ESOP is set out as follows:

- The total number of options that may be offered under the Employee Share Option Plan is limited with reference to the ASIC Class Order applicable to Employee Share Incentive Schemes.
- In making its decision to issue options the Board may decide which employee or Director is eligible to receive the options, the number of options and the conditions which are to apply in respect of the options.
- If at any time prior to the last date options are exercisable, a participant ceases to be employed by the Company for any reason, all such options held by the participant, may be exercised within the 3 month period following the date of cessation of appointment or employment, and if not exercised in that period the options shall lapse.
- If, in the opinion of the Board, a participant has acted fraudulently or dishonestly, the Board may determine that any option granted to that participant should lapse, and the option will lapse accordingly.
- An option is capable of being transferred by a participant, by the participant giving notice in writing to the Board.
- Despite any unfulfilled vesting or performance conditions options will be exercisable in the event of a change of control of the Company.
- There are no participating rights or entitlements inherent in the options and option holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, as required by the Listing Rules, the Company will send a notice to each holder of options prior to any record date and option holders will only be able to participate in a new issue if they have exercised their options prior to the record date for the new issue.
- In the event of any reorganisation of the issued capital of the Company on or prior to the expiry of the options, the rights of an option holder will be changed to the extent necessary to comply with the applicable Listing Rules in force at the time of the reorganisation.

At the date of this Notice of Meeting, no Options will have been issued under the proposed ESOP.

Resolutions 8 & 9 – Grant of Options to Mr Kevin Nichol (or his nominee) and Mr Peter Avery (or his nominee)

Background

Resolutions 8 and 9 of this Notice provide for 5,000,000 Options to be granted to each of Mr Kevin Nichol (or his nominee) and Mr Peter Avery (or his nominee).

Options are proposed to be granted to the Directors to align their interests with the interests of Shareholders. The grant of the Options (and the subsequent issue of Shares if the options are exercised) to the Directors has been proposed as a performance incentive for the future and to give recognition to the value that will be derived from the Directors to the Company.

The exercise price of the Options is priced at 1.43 times the 5 day Volume Weighted Average Price ("VWAP") of the Company at the time of grant.

The number of Options proposed to be granted to each of the Company's Directors has been determined by reference to their executive roles in the Company as well as the current market practices in the junior mining exploration sector.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including Options) to a related party of the Company.

If Resolutions 8 and 9 are passed, Options will be granted to the Directors of the Company, who are related parties of the Company. Accordingly, approval for the grant of these Options is required pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Options to the named Directors as approval is being obtained under ASX Listing Rule 10.11. Accordingly, Shareholders should note that the grant of options and subsequent conversion into fully paid ordinary shares to the Directors will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 8 and 9:

- (a) the related parties are Mr Kevin Nichol and Mr Peter Avery and they are related parties by virtue of being Directors of the Company;
- (b) the maximum number of Options to be granted by the Company is 10,000,000 Options (with 5,000,000 Options to be granted to each of Mr Kevin Nichol and Mr Peter Avery);
- (c) the Options will be granted not later than one month after the date of the AGM (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the grant will occur on one date;
- (d) the Options will be granted for nil cash consideration, accordingly no funds will be raised from the grant of the Options. However, cash will be payable in the event the Options are exercised with the proceeds being raised from these conversions being utilised to fund exploration and working capital requirements;
- (e) the Options will be granted on and subject to the terms set out in Annexure A.

Chapter 2E of the Corporations Act 2001

Chapter 2E of the *Corporations Act 2001* prohibits a public company from giving a financial benefit to a related party of a public company unless either:

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

A "related party" for the purposes of the *Corporations Act 2001* is defined widely and includes a director of the public company.

A "financial benefit" for the purposes of the *Corporations Act 2001* also has a very wide meaning. It includes the public company paying money or issuing securities to a related party.

Resolutions 8 and 9, if passed, will confer financial benefits to related parties as such the Company seeks to obtain shareholder approval in accordance with the requirements of Chapter 2E of the *Corporations Act 2001*. The following disclosures are made for the purposes of Chapter 2E (in particular Section 219) in addition to the disclosures made above.

(a) Related parties to whom Resolutions 8 and 9 would permit financial benefits to be given

Mr Kevin Nichol and Mr Peter Avery each being Directors of the Company would receive a financial benefit if Resolutions 8 and 9 are passed.

(b) Nature of the Financial Benefits

The nature of the financial benefits which may be obtained is the right to receive the Options that are the subject of Resolutions 8 and 9 (described above).

A valuation of the Options that are the subject of Resolutions 8 and 9 was conducted in accordance with Australian Accounting Standards (AASB2) 'Share Based Payments'. Based on that valuation, the 10 million Options to be granted pursuant to Resolutions 8 and 9 were attributed a total value of \$82,310. The valuation was undertaken using the Black Scholes pricing model subject to the following parameters:

	Option
Vesting Date	Grant date
Expected Life	5 years
Risk-Free Rate¹	5.00%
Volatility²	25%
Value per Option	\$0.008231

¹ 5 year Bank Bill Swap Rate as at 27 September 2013

² the Company's two year historic volatility up to 27 September 2013

Based on the valuation as at 3 October 2013, the estimated total value of the Options to be granted to each of Mr Kevin Nichol and Mr Peter Avery is as follows:

Options issued to	No. of Options	Value per Option	Black Scholes Valuation
Mr Kevin Nichol	5,000,000	\$0.008231	\$41,155
Mr Peter Avery	5,000,000	\$0.008231	\$41,155

The valuation of the Options is an assessment of the value inherent in the options. To the extent that time progresses and the share price changes over time, the value inherent in the Options will also change. Consequently, the value created in the Option holder will not necessarily equate to the valuation set out herein. It will be a reflection of the difference between the share price at the date chosen and the exercise price, and other factors such as the inability to obtain the relative fully paid ordinary shares or realise the value in the resulting shares due to any limitation of trading periods, will also impact on value.

Details of the Directors' current annual remuneration packages are set out in the below table.

Director	Total Annual Remuneration	Remuneration paid for the current financial year to [insert date]
Mr Kevin Nichol	\$200,000	\$55,000
Mr Peter Avery	\$163,875	\$16,388

(c) Director's Recommendations and Interests

The *Corporations Act 2001* requires in Section 219, inter alia, that, in relation to each Director of the Company the following must be disclosed:

- (a) if the Director wanted to make a recommendation to shareholders about the proposed resolution(s) - the recommendation and his or her reasons for it; or
- (b) if not - why not; or
- (c) if the Director was not available to consider the proposed resolution - why not.

Mr Nichol and Mr Avery decline to make a recommendation to Shareholders in relation to Resolutions 8 and 9 because they have a material personal interest in the outcome of those resolutions in that they will receive Options if those resolutions are passed. Consistent with ASIC guidance, the other Directors consider it good practice not to make a recommendation on resolutions for other Director's remuneration as there may be a conflict of interest and as such also decline to make a recommendation.

Details of the Directors' current relevant interest in shares and options in the Company are set out in the table below.

Director	Ordinary Shares	Options
Mr Kevin Nichol	2,489,800	Nil
Mr Peter Avery	8,465,003	1,500,001 (exercisable at \$0.20 on or before 23/12/16)

(d) All Information Reasonably Required

If all of the Options are exercised, the Company will be required to issue Shares which will have a dilutionary impact. Based on the following assumptions:

- no more Shares are issued by the Company (current number of fully paid ordinary shares on issue is 142,474,719);
- Resolutions 8 and 9 are passed; and
- all the vesting conditions attaching to the Options granted pursuant to Resolutions 8 and 9 are satisfied,

the Company's issued share capital will increase by 10 million Shares which equates to an increase of approximately 7% of the Company's issued capital as at 10 October 2013.

The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed.

Other than the information specified in this Explanatory Statement, the Directors are not aware of any other information that would be reasonably required by the Shareholders in order to decide whether it is in the best interests of the Company to pass Resolutions 8 and 9.

(e) Option Terms

Annexure A of this notice of meeting sets out the terms and conditions of the proposed options to be issued in Resolutions 8 and 9.

Resolution 10 – Change of Company Name

The Company proposes to change its name to Discovery Africa Limited to more accurately reflect its proposed activities following the successful takeover bid for Argosy Minerals Limited. This name has been reserved with the Australian Securities and Investments Commission.

Resolution 11 – Approval of 10% Placement Facility

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below).

As disclosed in the Company's previous Annual Reports and Quarterly Activity Reports, the Company continues actively seeking to increase work on its current exploration assets and reviewing new potential projects and investments. Should the Company utilise the 10% Placement Facility, it intends to use the funds to acquire new resource assets or investments, to conduct further work on its current projects or to meet additional working capital requirements.

The Directors of the Company believe that Resolution 12 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, Shares, Listed Options and unlisted options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$(A \times D) - E$

A is the number of shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 142,474,719 Shares and therefore has a capacity to issue:

- (i) 21,371,208 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being sought under Resolution 12, 14,247,472 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days 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 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period*

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (10% Placement Period).

Listing Rule 7.1A

The effect of Resolution 11 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 11 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days 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 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 11 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Listed Options, only if the Listed Options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of ordinary shares and the current number of ordinary shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of ordinary shares the Company has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.023 50% decrease in Issue Price	\$0.046 Issue Price	\$0.092 100% increase in Issue Price
Current Variable A 142,474,719 Shares	10% Voting Dilution	14,247,472 Shares	14,247,472 Shares	14,247,472 Shares
	Funds raised	\$327,691	\$655,383	\$1,310,767
50% increase in current Variable A 213,712,078 Shares	10% Voting Dilution	21,371,208 Shares	21,371,208 Shares	21,371,208 Shares
	Funds raised	\$491,537	\$983,075	\$1,966,151
100% increase in current Variable A 284,949,438 Shares	10% Voting Dilution	28,494,944 Shares	28,494,944 Shares	28,494,944 Shares
	Funds raised	\$655,383	\$1,310,767	\$2,621,534

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No Options are exercised into Shares before the date of the issue of the Equity Securities.
- 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%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder’s holding at the date of the Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The issue price is \$0.046 being the closing price of the Shares on ASX on 4 October 2013.

- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 11 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the 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; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

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

- (e) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at the Annual General Meeting held on 2 November 2012. The following information is provided in accordance with Listing Rule 7.3A.6:
- (i) During the 12 months preceding the date of this meeting, the Company did not issue any Equity Securities under Listing Rule 7.1A;
 - (ii) During the 12 months preceding the date of this meeting, the Company issued 106,178,710 Equity Securities, which represents approximately 213.2% of the total number of Equity Securities on issue at 22 November 2012 (12 months before this meeting). These Equity Securities were issued under the Company's 15% placement capacity or pursuant to the exceptions detailed in Listing Rule 7.2:

Details of the issue of Equity Securities are as follows:

- On 8 February 2013, the Company granted 1,000,000 unlisted options with an exercise price of \$0.20 (20 cents) and an expiry date of 23 December 2016 to employees of the Company as employee incentives, on the same general terms and conditions as the options issued pursuant to the prospectus dated 23 December 2011 but as unlisted securities;
- On 7 October 2013, the Company allotted 92,678,710 fully paid ordinary shares to shareholders in Argosy Minerals Limited (ASX code: AGY) in accordance with the Off-market Takeover Offer made to shareholders of Argosy Minerals Limited on 6 September 2013. The terms and conditions of the issue were included in the Bidder's Statement dated 28 August 2013. Based on the last traded price for Argosy Minerals Limited shares the current value of the Argosy Minerals Limited shares acquired is \$0.025 (2.5 cents) per share; and

- On 7 October 2013, the Company granted 12,500,000 unlisted options with an exercise price of \$0.09 (9 cents) and an expiry date of 13 June 2017 to optionholders in Argosy Minerals Limited for the acquisition of those options as detailed in the Bidders Statement dated 28 August 2013. The terms and conditions of the options were included in the Notice of Meeting dated 19 July 2013. As the Argosy Minerals Limited options were unlisted, it is not possible to determine their current value.

(f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Questions and Comments

The Chairman will allow a reasonable opportunity for shareholders at the meeting to ask questions about or make comments on the management of the Company

Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

ANNEXURE A

Terms and Conditions of Option Issue

Exercise price: Each option entitles the holder to subscribe for 1 fully paid ordinary share in Baru Resources Limited at a subscription price calculated as 1.43 times the 5 day VWAP of the Company at the time of grant.

Vesting Date: The options issued to the holder will vest on the day on which they are granted.

Manner of exercise: The options are exercisable at any time from vesting date until 5:00pm (AEST) on 30 November 2018 by completing an option exercise form and delivering it to the Company's Share Registry together with payment for the number of Shares in respect of which the options are exercised and the option holding statement for those options.

Transferability of options: Subject to the *Corporations Act 2001*, the ASX Listing Rules and the Company's Constitution, the options are freely transferable and the Company may apply to the ASX for the options to be admitted to quotation.

Ranking and quotation of shares: All Shares issued upon exercise of options will rank equally in all respects with the Company's then existing fully paid ordinary shares. Within 10 business days after the issue of Shares upon exercise of options, the Company will apply to the ASX for those Shares to be admitted to quotation.

Participation rights: Holders of options may only participate in a new issue of securities to holders of ordinary shares in the Company if an option has been exercised and a Share issued in respect of that option before the record date for determining entitlements to the new issue, and the participation shall only be in respect of such Share issued. The Company must give holders of options at least 6 business days' notice of the record date for determining entitlements to that new issue in accordance with the ASX Listing Rules.

No change to option terms: There will be no change to the exercise price of an option or the number of Shares over which an option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to holders of ordinary shares in the Company (other than a bonus issue in which case the exercise price of an option will be adjusted down accordingly).

Reorganisation of capital: In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, all of the options will be reorganised as required by the ASX Listing Rules, but in all other respects the terms of exercise will remain unchanged.

PROXY AND VOTING INSTRUCTIONS

1. For the purposes of the Corporations Act, the Company has determined that all securities of the Company recorded on the Company's register 48 hours before the date of the Annual General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.
2. The details of the Resolutions contained in the Explanatory Statement should be read together with, and forms part of this Notice of Meeting.
3. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified 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 of the votes. A proxy need not be a shareholder of the Company.
4. If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.
5. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
6. Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.
7. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.
8. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice.
9. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person excluded from voting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or where it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.
10. Key Management Personnel and their closely related parties will not be able to vote your proxy on Resolution(s) 1-2 unless you direct them how to vote. If you intend to appoint a member of the Key Management Personnel as your proxy, please ensure that you direct them how to vote on Resolution(s) 1-2. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by either marking the box for Resolution 1-2 or by marking the Chairman's box on the proxy form (in which case the Chairman of the meeting will vote in favour of this item of business). The Chairman will vote all undirected proxies in favour of Resolution(s) 1-2.
11. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office or Advanced Share Registry Ltd in accordance with the instructions set out in the proxy form by no later than 48 hours before the commencement of the Annual General Meeting. .

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“**ASIC**” means the Australian Securities and Investments Commission;

“**ASX**” means ASX Limited or the Australian Securities Exchange, as the context requires;

“**WST**” means Australian Western Standard Savings Time.

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Company**” means Baru Resources Limited ABN 50 147 324 847;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of Baru for the financial year ended 30 June 2013 and which is set out in the 2013 Annual Report.

BARU RESOURCES LIMITED



All Registry communication to:
Advanced Share Registry Ltd
 150 Stirling Highway
 Nedlands WA 6009
 PO Box 1156
 Nedlands WA 6909
 Telephone: (08) 9389 8033
 Facsimile: (08) 9389 7871
 Website: www.advancedshare.com.au
www.baru.com.au

Appointment of proxy

If you propose to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.

I/We being a member(s) of BARU RESOURCES LIMITED ACN 147 324 847 and entitled to attend and vote hereby appoint.

<div style="background-color: black; color: white; padding: 2px; display: inline-block;">A</div> the Chairman of the Meeting (mark box)	<input type="checkbox"/>	OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy	<div style="border: 1px solid black; width: 100%; height: 40px;"></div>
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Or failing the person/body corporate named, or if no person/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 instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 10.00am (WST) on Friday, 22 November 2013 and at any adjournment of that meeting. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received at the Company's registered office no later than 48 hours before the meeting.

Important for Items 1 and 7 – If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Items 1 and 7 as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Items 1 and 7, the Chairman of the Meeting will not cast your votes on Items 1 and your votes will not be counted in computing the required majority if a poll is called on this item. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Items 1 and 7).

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

<input type="checkbox"/>	I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Items 1 and 7 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Items 1 and 7 is connected directly or indirectly with the remuneration of a member of key management personnel.
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If you appoint the Chairman of the Meeting as your proxy you acknowledge that in acting as your proxy the Chairman may exercise your undirected proxy votes (if you do not specify below how your proxy is to vote) even if he or she has an interest in the outcome of the resolution which carries a voting exclusion providing that votes cast by him or her other than as a proxyholder will be disregarded because of that interest. The Chairman intends to vote undirected proxies IN FAVOUR of each resolution.

Should you desire to direct your proxy how to vote on any resolution please insert in the appropriate box below.

		For	Against	Abstain*
Item 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Board Spill Meeting Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Re-election of Mr Peter Avery as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Re-election of Mr Ian Lovett as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Re-election of Mr Philip Thick as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6	Re-election of Mr Danie Van Den Bergh as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7	Approval of Issue of Securities Pursuant to Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8	Grant of Options to Mr Kevin Nichol (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 9	Grant of Options to Mr Peter Avery (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 10	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 11	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

<div style="background-color: black; color: white; padding: 2px; display: inline-block;">B</div> PLEASE SIGN HERE This section <i>must</i> be signed in accordance with the instructions overleaf to enable your directions to be implemented		
Securityholder 1 (individual) <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div> Sole Director and Sole Company Secretary	Joint Securityholder 2 (individual) <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div> Director/Company Secretary (Delete one)	Joint Securityholder 3 (individual) <div style="border: 1px solid black; width: 100%; height: 20px; margin-top: 5px;"></div> Director

Contact Name	Contact Daytime Telephone or Email	Date / /
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Proxy Instructions

Generally

A shareholder entitled to attend and vote at the Annual General Meeting convened by the Notice is entitled to appoint not more than 2 proxies to vote on the shareholder's behalf. A proxy need not be a shareholder. The proxy appointment may be a standing appointment for all general meetings until it is revoked. Additional proxy forms are available from the Company.

If a representative of a shareholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission. A form of the certificate may be obtained from the Company's share registry by calling +61 8 9389 8033.

Appointing Two Proxies

A shareholder entitled to cast 2 or more votes may appoint 2 proxies. Where 2 proxies are appointed, if the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise one half of your votes. Fractions of votes will be disregarded.

Signing Instructions

Individuals: The shareholder must sign personally.

Joint Holding: If the holding is in more than 1 name, all of the shareholders must sign.

Company: 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) 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 sign in the appropriate place to indicate the office held.

Power of Attorney: The attorney must sign and the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.

Lodgement of a Proxy

Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be lodged at, or sent by facsimile transmission to, the offices of the Company so that it is received no later than 10.00am (WST), 20 November 2013.

Online voting will be available at www.advancedshare.com.au. Online voting will close at 10.00am (WST) on 20 November 2013.

Documents may be lodged:

IN PERSON	Share Registry – Advanced Share Registry, Unit 2, 150 Stirling Highway Nedlands WA 6009, Australia
BY MAIL	Share Registry – Advanced Share Registry, PO Box 1156, Nedlands WA 6909, Australia
BY FAX	+61 8 9389 7871

Your Address

This is your address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form and sign it. Security holders sponsored by a broker (in which case your reference number overleaf will commence with an "X") should advise your broker of any changes. You cannot change ownership of your shares using this form.