

Hamilton James & Bruce Group Limited
ABN 90 091 302 975

Notice of Extraordinary General Meeting

Notice is hereby given that the **Extraordinary General Meeting** of the members of **Hamilton James & Bruce Group Limited** (the **Company**) will be held at the Company's registered office, Level 12, Exchange Centre, 16-20 Bridge Street, Sydney, New South Wales 2000, on Thursday, 1 July 2010 at **10.30 am**.

BUSINESS OF THE MEETING

1. Employee Share Plan Approval (Resolution 1):

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

That the Company approve for all purposes, including ASX Listing Rule 7.2 Exception 9, the Employee Share Plan as described in the Explanatory Notes accompanying this Notice of Meeting.

2. Issue of Shares to Mr. Robin Jerome (Resolution 2):

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

If Resolution 1 is passed, that the Company approve for all purposes, including ASX Listing Rule 7.1 and ASX Listing Rule 10.14, the issue of 1,500,000 ordinary fully paid shares in the Company to Mr Robin Jerome, a Director of the Company under the rules of the Employee Share Plan and on the terms set out in the Explanatory Notes to this Notice of Meeting.

3. Issue of Shares to Mr. Lancelot Fernandes (Resolution 3):

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

If Resolution 1 is passed, that the Company approve for all purposes, including ASX Listing Rule 7.1 and ASX Listing Rule 10.14, the issue of 1,000,000 ordinary fully paid shares in the Company to Mr Lancelot Fernandes, a Director and Company Secretary of the Company under the rules of the Employee Share Plan and on the terms set out in the Explanatory Notes to this Notice of Meeting.

4. Issue of Shares to Mr. Adrian Belle (Resolution 4):

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

If Resolution 1 is passed, that the Company approve for all purposes, including ASX Listing Rule 7.1 and ASX Listing Rule 10.14, the issue of 250,000 ordinary fully paid shares in the Company to Mr Adrian Belle, a Director and Company Secretary of the Company under the rules of the Employee Share Plan and on the terms set out in the Explanatory Notes to this Notice of Meeting.

5. Issue of conditional shares to Mr. Robin Jerome (Resolution 5):

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

If Resolution 1 is passed, that the Company approve for all purposes, including ASX Listing Rule 10.14, the grant to Mr. Robin Jerome, a Director of the Company, up to 2,750,000 ordinary fully paid shares in the Company under the rules of the Employee Share Plan and otherwise on the terms set out in the Explanatory Notes to this Notice of Meeting.

6. Issue of conditional shares to Mr. Lancelot Fernandes (Resolution 6):

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

If Resolution 1 is passed, that the Company approve for all purposes, including ASX Listing Rule 10.14, the grant to Mr. Lancelot Fernandes, a Director and Company Secretary of the Company, up to 1,375,000 ordinary fully paid shares in the Company under the rules of the Employee Share Plan and otherwise on the terms set out in the Explanatory Notes to this Notice of Meeting.

7. Issue of conditional shares to Mr. Adrian Belle (Resolution 7):

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

If Resolution 1 is passed, that the Company approve for all purposes, including ASX Listing Rule 10.14, the grant to Mr. Adrian Belle, a Director and Company Secretary of the Company, up to 1,150,000 ordinary fully paid shares in the Company under the rules of the Employee Share Plan and otherwise on the terms set out in the Explanatory Notes to this Notice of Meeting.

8. Issue of Shares to Mr. Jeffery Goss (Resolution 8):

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

That the Company approve for all purposes, including ASX Listing Rule 7.1 and ASX Listing Rule 10.11, the issue of 2,500,000 ordinary fully paid shares in the Company to Mr Jeffery Goss, a Director of the Company, on the terms set out in the Explanatory Notes to this Notice of Meeting.


9. Issue of Shares to Mr. Miles Hedge (Resolution 9):

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

That the Company approve for all purposes, including ASX Listing Rule 7.1 and ASX Listing Rule 10.11, the issue of 2,500,000 ordinary fully paid shares in the Company to Mr Miles Hedge, a Director of the Company, on the terms set out in the Explanatory Notes to this Notice of Meeting.

Note: Voting exclusions for certain of the Resolutions are set out in the Explanatory Notes to this Notice of Meeting

By order of the Board and Directors of the Company



Lancelot Fernandes
Company Secretary

31 May 2010

Notes:

Proxies

1. A member entitled to attend and vote is entitled to appoint a proxy.
2. A person who is entitled to cast two or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy appointed is entitled to exercise and in the absence of any specification each proxy may exercise half of the member's votes. On a show of hands neither proxy may vote, but both proxies may vote on a poll.
3. Appointment of a proxy by a member who is a corporation must be under its common seal or the hand of its attorney or the hand of a person duly authorised by the corporation.
4. A proxy need not be a member of the Company.
5. To be effective, the proxy form must be received by the Company by one of the following methods not less than forty-eight (48) hours prior to the time for holding the meeting:
 - **Online:** Log onto the website www.linkmarketservices.com.au and follow the instructions. You will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), personal details and postcode.
 - **By post:** Hamilton James & Bruce Group Limited
C/- Link Market Services Limited
Locked Bag A14
South Sydney NSW 1235
 - **By facsimile:** In Australia: (02) 9287 0309
From outside Australia: +61 2 9287 0309
 - **By delivery:** Hamilton James & Bruce Group Limited
c/-Link Market Services Limited
Level 12, 680 George Street
South Sydney NSW 2000

Corporate Representation

If your holding is registered in a company name and you would like to attend the meeting (and do not intend to return a proxy form), please bring with you to the meeting a duly completed Appointment of Corporate Representative Form to enable you to attend and vote at the Extraordinary General Meeting. Alternatively contact the Company's share registry, Link Market Services Limited, investor enquiries +61 2 8280 7111, who will forward to you a form for completion.

Entitlement to Vote

For the purposes of the *Corporations Regulation 7.11.37*, the Board has determined that, in relation to the Extraordinary General Meeting being convened by this Notice, shares will be taken to be held by the persons who are registered holders at 7.00 pm (Sydney time) on 29 June 2010.

Accordingly share transfers registered after that date will be disregarded in determining entitlements to attend and vote at the meeting.

Explanatory Notes

These are the Explanatory Notes for the shareholders of Hamilton James & Bruce Group Limited (**Company**) for the Extraordinary General Meeting to be held on Thursday, 1 July 2010. The Explanatory Notes explain the items of business to be considered at the meeting and are provided to assist shareholders in their consideration of the proposed Ordinary Resolutions 1 to 9 inclusive, contained in the Notice of Meeting, and form part of that Notice of Meeting.

Resolution 1: Employee Share Plan Approval

The Board has established a new Employee Share Plan (**ESP**) which conforms with the ASX Listing Rules.

The ESP will provide flexibility to the Company's remuneration arrangements and create a mutual interdependence between eligible employees and the Company for the long term benefit of both parties.

Rule 7.1 of the ASX Listing Rules restricts listed companies from issuing more than 15% of their issued capital in a 12 month period without shareholder approval, unless an exception applies. The Company has not exceeded this 15% limit.

ASX Listing Rule 7.2 contains a number of exceptions to the 15% limit in Listing Rule 7.1, allowing specified issues of shares to be excluded from the 15% limit. One exception is issues approved by shareholders under an employee share plan (exception 9(b)). The exception applies for three years from the date of approval by shareholders.

The ESP is an employee share plan of the type contemplated by exception 9(b) of ASX Listing Rule 7.2. Accordingly the Board is seeking shareholder approval for:

- (a) grants of shares in the Company to selected eligible employees under this ESP; and
- (b) grants of conditional shares under this ESP and subsequent consequential issues of shares in the Company if exercise conditions are satisfied with respect to those conditional shares,

to be excluded from the ASX Listing Rule 7.1 15% limit.

If this resolution is passed, and subject to Resolutions 2 to 4 being passed, the Company will issue 5,000,000 shares to eligible employees of the Company on 1 July 2010, and in any event, not later than 3 years from the date of this Extraordinary General Meeting.

If this resolution is passed, and subject to Resolutions 5 to 7 being passed, the Company will issue up to 10,975,000 shares to eligible employees of the Company at 1 July 2013, subject to satisfaction of the relevant conditions attaching to those offers of shares. A summary of the proposed exercise conditions for the respective eligible employees, the subject of Resolutions 5 to 7, are set out in the tables in the Explanatory Notes for Resolutions 5 to 7. Other non-executive eligible employees will also be issued shares at 1 July 2013, subject to satisfaction of relevant financial targets and continuity of service exercise conditions.

The table below details the potential dilution to current holdings if all relevant conditions attaching to the offers of shares to executive and non-executive eligible employees are satisfied, and all conditional and unconditional share issues to executive and non-executive eligible employees are made:

Description	Number of shares on issue	% of total number of shares on issue
Current number of shares on issue as at 31 May 2010	268,566,740	-
Number of shares on issue as at 1 July 2010 if Resolutions 1 to 4 are approved (5,000,000 shares will be issued)	273,566,740	5,000,000 shares is 1.82% of shares on issue as at 1 July 2010*
Number of shares on issue as at 1 July 2010 if Resolutions 8 and 9 are approved (5,000,000 shares will be issued)	278,566,740	5,000,000 shares is 1.79% of shares on issue as at 1 July 2010*
Number of shares on issue at 1 July 2013 if Resolutions 1, 5 and 7 are approved and all relevant conditions attaching to those offers of shares are satisfied (10,975,000 shares will be issued)	289,541,740	10,975,000 shares is 3.79% of shares on issue as at 1 July 2013*

* Assuming no other share issues have been completed by the Company

The ASX Listing Rules require the Notice of Meeting relating to the Extraordinary General Meeting at which shareholders are required to consider a resolution to approve securities issues made by the Company in respect of exception 9(b) to include certain specified information regarding those securities issues. This information is set out below and in the explanatory notes for Resolutions 2 to 7.

ESP Rules:

A summary of the main terms and conditions of the ESP appear below. Copies of the ESP Rules are available on request to the Company Secretary.

1. Offers

The Company may from time to time during the operation of the ESP make an offer in writing to any eligible employee specifying:

- the number of shares and/or conditional shares for which the eligible employee may subscribe;
- the period during which the offer may be accepted;
- the issue price of the shares;
- any conditions that will apply before any conditional shares will be issued to the eligible employee;
- the period (if any) that an eligible employee must wait before shares may be disposed of;
- circumstances in which the eligible employee's right to require the Company to issue conditional shares will lapse; and
- any other matters required to be specified by the *Corporations Act 2001* (Cth) or the ASX Listing Rules.

2. Eligible Employee

Any employee, Director or Executive who has been a full-time or part-time employee of the Company or any subsidiary for longer than 6 months; and for the purposes of the ESP a Director or Executive will be deemed to be in the employ of the Company or a subsidiary.

3. Grant of Shares

The ordinary shares to be granted to eligible employees will be granted for such consideration (which may be nominal) and on terms and conditions determined by the Board in its discretion and will be issued as fully paid ordinary shares issued by the Company.

4. Grant of Conditional Shares

Conditional shares offered to an eligible employee will, if the exercise conditions are met, entitle the eligible employee to require the Company to issue the relevant number of fully paid ordinary shares to the eligible employee for such consideration (if any) as specified in the offer.

5. Participant

An eligible employee who has accepted the offer will be a participant.

6. Exercise Conditions

The Board will determine the exercise conditions to be applied to conditional shares awards taking into account the Company's strategies and to ensure benefits are only delivered under the ESP where the Company's performance has materially improved. Generally, any conditional shares awards granted for which exercise conditions are not met, will lapse meaning the shares will not be issued to that participant. In this way, conditional shares awards under the ESP will align eligible employees' interests with those of shareholders of the Company. By way of example, a summary of the proposed exercise conditions for the respective eligible employees, the subject of Resolutions 5 to 7, are set out in the tables in the Explanatory Notes for Resolutions 5 to 7.

The quantum of conditional shares awards granted to each eligible employee under the ESP will be consistent with the Company's remuneration philosophy and will be determined taking into account:

- the eligible employee's length of service with the Group;
- the eligible employee's level of responsibility and authority within the Group;
- the contribution made by the eligible employee to the Group;
- the potential contribution of the eligible employee to the Group; or
- any other matter the Board considers relevant.

The Company will also seek ASX admission for any shares issued following satisfaction of the relevant exercise condition. All shares allotted upon the exercise of rights will rank pari passu in all respects with the Company's shares listed on ASX.

7. Cessation of Employment

If a participant ceases to be an employee before he or she has satisfied conditions attaching to an offer of the conditional shares then all rights in respect of those conditional shares lapse.

8. Death, Permanent Disability or Bona Fide Redundancy

If a participant dies, becomes permanently disabled or is given a bona fide redundancy, and at that time the participant holds a right to have a conditional share issued to that participant (subject to satisfaction of each relevant condition), the Board may resolve that the participant's rights to have a conditional share issued will not lapse and that if each relevant condition is satisfied (except continuation of employment), the Board may resolve to issue the relevant shares.

The Board may make a similar resolution where a participant ceases to be an employee or Director of, or to render services to, a member of the Group, due to death, becoming permanently disabled or being given a bona fide redundancy, prior to the date on which an Offer of conditional shares becomes free of all conditions (except continuation of employment).

9. Adjustments and Reorganisations

A participant has no right to any variation in the offer price or the number of shares to be issued in an offer of conditional shares upon the occurrence of a new issue of shares or other securities to holders of shares.

In respect of a participant who has accepted an offer of conditional shares, if, there is a bonus issue the Company's shareholders prior to the time at which each condition contained in the offer of conditional shares has been satisfied, that participant will be entitled, upon later issue of the relevant shares, to receive an issue of so many additional shares as would have been issued to a shareholder who, on the Record Date for determining entitlements under the bonus issue, held shares equal in number to the shares comprised in the offer of conditional shares.

In the event of any reorganisation of the issued capital of the Company other than a bonus issue, the rights of each participant will be changed to the extent necessary to comply with the Listing Rules (where relevant) applying to a reorganisation of capital of a body corporate.

10. Takeover

If a takeover bid is made to the Company's shareholders to acquire their shares and the Board becomes aware that a bidder who did not have a relevant interest in more than 50% of the Company's issued shares has acquired (or become entitled to acquire) a relevant interest in more than 50% of the Company's issued shares, or that there has been a change of control of the Company, then the Board may resolve that the Company notify each participant in writing that some or all of the conditions applying to conditional shares will be waived which may result in a participant being entitled to require the Company to issue shares to that participant in respect of a relevant offer of conditional shares.

11. Termination or Suspension

The ESP may be terminated or suspended at any time by the Directors or amended at any time by a resolution of the Company.

The Directors recommend that shareholders vote in favour of Resolution 1.

Persons precluded from voting

In respect of Resolution 1, the Company will disregard any votes cast on this resolution by any Director of the Company and any of their associates.

However, the Company need not disregard any vote by any such person excluded from voting on Resolution 1 if:

- it is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by any of them who is 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.

Resolutions 2 to 4: Issue of shares to eligible employees

The Board has established the ESP as outlined in the Explanatory Notes for Resolution 1. An issue of ordinary shares to a Director or other related party of the Company requires your approval under ASX Listing Rule 10.14.

The HJB Remuneration and Nomination Committee has allocated the following ordinary shares to be granted to eligible employees, for the consideration specified in the table below, subject to shareholder approval:

Name	Maximum number of shares to be acquired	Consideration	Role in Company
Mr. Robin Jerome	1,500,000	No consideration	Director
Mr. Lancelot Fernandes	1,000,000	No consideration	Director and Company Secretary
Mr. Adrian Belle	250,000	No consideration	Director and Company Secretary

Total ordinary shares to be granted to Directors as above is 2,750,000. No ordinary shares have been issued under the ESP prior to this issue. No consideration is payable for the acquisition of shares by Messrs. Jerome, Fernandes and Belle. All Directors entitled under the ESP to be issued ordinary shares are included in the table above, being the names of all persons referred to in Listing Rule 10.14 who are entitled to participate in the ESP. There is no loan scheme in relation to the ESP.

The date of issue of the ordinary shares is 1 July 2010, and in any event, not later than 3 years from the date of this Extraordinary General Meeting, subject to shareholder approval at this meeting as required.

Details of any ordinary shares issued under the ESP will be published in each Annual Report relating to the period in which the shares have been issued, and that approval for the issue of the shares was obtained under ASX Listing Rule 10.14.

Any additional persons who become entitled to participate in the ESP after Resolutions 1, 2 to 4 are approved and who were not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

The Directors recommend that shareholders vote in favour of Resolutions 2 to 4.

Persons precluded from voting

In respect of each of Resolutions 2 to 4, the Company will disregard any votes cast on any of those resolutions by Robin Jerome, Lancelot Fernandes and Adrian Belle and any of their associates.

However, the Company need not disregard any vote by any such person excluded from voting on Resolutions 2 to 4 if:

- it is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by any of them who is 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.

Resolutions 5 to 7: Issue of conditional shares to eligible employees

The Board has established the ESP as outlined in the Explanatory Notes for Resolution 1. A grant of conditional shares to a Director or other related party of the Company requires your approval under ASX Listing Rule 10.14.

The HJB Remuneration and Nomination Committee has allocated the following conditional shares to be granted to Directors, for no consideration, subject to shareholder approval:

Name	Maximum number of conditional shares to be acquired	Consideration	Role in Company
Mr. Robin Jerome	Up to 2,750,000	No consideration	Director
Mr. Lancelot Fernandes	Up to 1,375,000	No consideration	Director and Company Secretary
Mr. Adrian Belle	Up to 1,150,000	No consideration	Director and Company Secretary

The Board recognises the importance for the Company to be able to retain select eligible employees who will be able to assist the Company to achieve its restructure and growth strategies as disclosed to the market on 28 September 2009.

The Board believes that the leadership and expected contribution of the eligible employees, based on past performance, will be critical to the success of the Company.

Mr. Jerome was appointed by the Board to the position of Managing Director/Chief Executive Officer, a role in which he will have overall responsibility for the management and strategy of the Group. Mr. Jerome oversees all facets of the Group, including financial, corporate and administrative functions. The Board believes that Mr. Jerome's commercial experience and knowledge of the Company and the recruitment industry coupled with his leadership skills and financial acumen make him the person to steer the Company into its next phase of development.

Mr. Fernandes is the Company's Financial Controller. As a member of the Executive Committee, Mr Fernandes is responsible for all financial functions of Group, including capital management. The Board believes that Mr. Fernandes's experience, both domestically and internationally, and thorough knowledge of the Company and the recruitment industry will be valuable in assisting the Company achieve its core business objectives.

Mr. Belle is the Company's Multi-Branch NSW State General Manager. As a member of the Executive Committee, Mr. Belle is responsible for all sales functions of the Group's largest office, New South Wales. The Board believes that Mr. Belle's experience and thorough knowledge of the Company and the recruitment industry will be valuable in assisting the Company achieve its sales objectives.

To ensure that the Company retains Messrs. Jerome, Fernandes and Belle over the long-term, whilst aligning their equity interests with those of shareholders, the Board wishes to grant the eligible employees rights under the ESP. A description of the ESP can be found on pages 4 to 7 of this Notice.

Conditions for Messrs Jerome and Fernandes with respect to the Conditional Shares			
Tranche	No. of Shares	EBIT* Condition	Additional Conditions
1	<ul style="list-style-type: none"> • 1,000,000 shares to Mr. Jerome • 500,000 shares to Mr Fernandes 	EBIT of at least \$1.5 million	Participant must remain employed in current role until 30 June 2013
2	<ul style="list-style-type: none"> • 750,000 shares to Mr. Jerome • 375,000 shares to Mr. Fernandes 	EBIT of at least \$3.5 million	Participant must remain employed in current role until 30 June 2013
3	<ul style="list-style-type: none"> • 1,000,000 shares to Mr. Jerome • 500,000 shares to Mr. Fernandes 	EBIT of more than \$5 million	Participant must remain employed in current role until 30 June 2013

*EBIT means earnings before interest and tax for the Group as stated in the audited financial statements for the financial year ending 30 June 2011.

Conditions for Mr Belle with respect to the Conditional Shares			
Tranche	No. of Shares	EBIT* Condition	Additional Conditions
1	250,000	None	Participant must remain employed in current role until 30 June 2013
2	300,000	EBIT of at least \$1 million	Participant must remain employed in current role until 30 June 2013
3	300,000	EBIT of at least \$1.75 million	Participant must remain employed in current role until 30 June 2013
4	300,000	EBIT of more than \$2.5 million	Participant must remain employed in current role until 30 June 2013

*EBIT means earnings before interest and tax for the NSW Branch of the Company as stated in the audited financial statements for the financial year ending 30 June 2011.

The total number of shares to be issued to Directors if all exercise conditions are satisfied is 5,275,000. No conditional shares have been granted under the ESP prior to this grant. Given the awards form part of each eligible employees' long-term incentive arrangements, the rights granted under the ESP to Messrs. Jerome, Fernandes and Belle are for nil consideration. All executive Directors of the Company are entitled under the ESP to be granted conditional shares. There is no loan scheme in relation to the ESP.

The date of issue of the conditional shares will be 1 July 2010, and in any event, not later than 3 years from the date of this Extraordinary General Meeting, subject to shareholder approval at this meeting.

The Company will issue shares as required to Directors on 1 July 2013, subject to the satisfaction of the relevant conditions.

Details of any conditional shares granted under the ESP will be published in each Annual Report relating to the period in which the shares have been granted, and that approval for the issue of the shares was obtained under ASX Listing Rule 10.14.

Any additional persons who become entitled to participate in the ESP after Resolutions 1, 5 to 7 are approved and who were not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

The Directors recommend that shareholders vote in favour of Resolutions 5 to 7.

Persons precluded from voting

In respect of each of Resolutions 5 to 7, the Company will disregard any votes cast on any of those resolutions by Robin Jerome, Lancelot Fernandes and Adrian Belle and any of their associates.

However, the Company need not disregard any vote by any such person excluded from voting on Resolutions 5 to 7 if:

- it is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by any of them who is 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.

Resolutions 8 and 9: Issue of Shares to Directors

Resolution 8

Mr Jeffery Goss, a Director of the Company, has agreed to subscribe for 2,500,000 fully paid ordinary share at \$0.02 per share.

ASX Listing Rule 10.11 provides that the Company must not issue shares to a related party such as a Director of the Company without shareholder approval.

For the purposes of Listing Rule 7.2, Exception 14, if approval is given by the shareholders under Listing Rule 10.11 to the issue of shares to Mr Goss, approval of shareholders is not required under Listing Rule 7.1.

For the purposes of ASX Listing Rule 10.13.6A, the Company confirms that it intends to use the funds raised from the issue of 2,500,000 fully paid ordinary share at \$0.02 per share to Mr Goss for general working capital purposes.

Accordingly, under Resolution 8, the Board seeks the approval of shareholders for the issue of 2,500,000 fully paid ordinary shares in the Company to Mr Jeffery Goss, a Director of the Company, at an issue price of \$0.02 per share.

If this resolution is passed, the shares will be allotted within one month of the date of this meeting.

The shares issued to Mr Goss will rank equally with the fully paid ordinary shares of the Company already on issue.

Persons precluded from voting

In respect of Resolution 8, the Company will disregard any votes cast on this resolution by Mr Jeffery Goss and any of his associates.

However, the Company need not disregard any vote by any such person excluded from voting on Resolutions if:

- it is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by any of them who is 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

Mr Miles Hedge, a Director of the Company, has agreed to subscribe for 2,500,000 fully paid ordinary share at \$0.02 per share.

ASX Listing Rule 10.11 provides that the Company must not issue shares to a related party such as a Director of the Company without shareholder approval.

For the purposes of Listing Rule 7.2, Exception 14, if approval is given by the shareholders under Listing Rule 10.11 to the issue of shares to Mr Hedge, approval of shareholders is not required under Listing Rule 7.1.

For the purposes of ASX Listing Rule 10.13.6A, the Company confirms that it intends to use the funds raised from the issue of 2,500,000 fully paid ordinary share at \$0.02 per share to Mr Hedge for general working capital purposes.

Accordingly, under Resolution 9, the Board seeks the approval of shareholders for the issue of 2,500,000 fully paid ordinary shares in the Company to Mr Hedge, a Director of the Company, at an issue price of \$0.02 per share.

If this resolution is passed, the shares will be allotted within one month of the date of this meeting.

The shares issued to Mr Hedge will rank equally with the fully paid ordinary shares of the Company already on issue.

Persons precluded from voting

In respect of Resolution 9, the Company will disregard any votes cast on this resolution by Mr Miles Hedge and any of his associates.

However, the Company need not disregard any vote by any such person excluded from voting on Resolutions if:

- it is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by any of them who is 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.

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