

# *Reefton Mining N.L.*

A.C.N. 010 546 675

## *Information Memorandum* **TO SHAREHOLDERS**

### **NOTICE OF GENERAL MEETING** including **EXPLANATORY STATEMENT** and **PROXY FORM**

#### **DATE AND TIME OF MEETING**

Thursday, 16 June 2005 at 9.00am W.S.T.

#### **PLACE OF MEETING**

The Presidents Room  
The Celtic Club Inc  
Level 1, 48 Ord Street  
West Perth, Western Australia 6005

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### IMPORTANT NOTICE

THE RESOLUTIONS PROPOSED FOR THIS MEETING ARE OF FUNDAMENTAL IMPORTANCE TO THE FUTURE OF YOUR COMPANY. IT IS RECOMMENDED THAT SHAREHOLDERS READ THIS INFORMATION MEMORANDUM IN FULL, AND IF THERE IS ANY MATTER THAT YOU DO NOT UNDERSTAND, YOU SHOULD CONTACT YOUR FINANCIAL ADVISER, STOCKBROKER OR SOLICITOR FOR ADVICE.

## SECTION 1

### PURPOSE OF THIS EXPLANATORY MEMORANDUM

#### 1. INTRODUCTION

The Memorandum must be read in full in conjunction with the Notice and all accompanying documents to make an informed decision regarding those resolutions.

#### 2. RESOLUTIONS

This Memorandum contains information concerning the resolutions set out in the Notice.

The resolutions deal with the following specific matters:

- (a) Resolution 1 - Ratify an issue of Shares and free attached 2009 Options
- (b) Resolution 2 - Ratify an issue of 2009 Options to Hudson Securities Pty Ltd's Nominee
- (c) Resolution 3 – Approve an issue of Shares and free attached 2009 Options
- (d) Resolution 4 - Ratify an issue of Unlisted 2006 Options to Simon Gilbert

#### 3. COMMENT

The Board intends to vote in favour of each of the proposed Resolutions 1, 2, 3 and 4.

Resolutions 1, 2 and 4 are being put to shareholders to enable the Board flexibility to make further issues of securities up to the threshold of 15% of its total equity securities in any 12 month period without the need to seek shareholder approval.

Resolution 3 provides an authority for the Board to place Shares and free attached 2009 Options up to the maximum number approved by shareholders.

All three of these resolutions are essential for the future funding requirements of the Company. An inability on the Board being able to raise capital through the issue of new securities places an unnecessary financial restriction on the Company, and the Board is sure all shareholders will agree that that is inappropriate.

## TIME AND PLACE OF MEETING AND HOW TO VOTE

### Venue

A General Meeting of the shareholders of Reefton Mining NL will be held at:

#### The Presidents Room

#### The Celtic Club Inc

Level 1, 48 Ord Street,

West Perth, Western Australia

Commencing 9.00am (Perth Time)

on Thursday, 16 June 2005

### How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

#### Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 9.00am.

#### Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- return the proxy form by post to Computershare Investor Services Pty Ltd, Level 2, Reserve Bank Building, 45 St Georges Terrace, Perth WA 6000; or
- send the proxy by facsimile to the Company on facsimile number (08) 9322 7823 (International: +61 8 9322 7823); or
- deliver to the registered office of the Company at Level 1, 47 Ord Street, West Perth, Western Australia,

so that it is received not later than 9:00am(Perth Time) on Tuesday, 14 June 2005.

**Your proxy form is enclosed.**

## SECTION 2

Notice is hereby given that a General Meeting of the members of Reefton Mining NL will be held in The Presidents Room, The Celtic Club Inc, Level 1, 48 Ord Street, West Perth, Western Australia on Thursday, 16 June 2005, at 9.00am W.S.T. for the purpose of transacting the following business:

### AGENDA

The Explanatory Statement, which accompanies and forms part of this Notice of General Meeting describes the matters to be considered.

### SPECIAL BUSINESS

### RESOLUTIONS

#### 1. Ratification of an Issue of 5,000,000 Shares and 2,500,000 Free Attaching 2009 Options

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

*"That in accordance with Listing Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited, the shareholders ratify the allotment and issue on 26 November 2004 of 5,000,000 Shares and 2,500,000 free attaching 2009 Options in the capital of the Company at an issue price of five (5) cents each and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Under the Listing Rules, the Company may seek shareholder ratification after making a placement to allow it the flexibility to make further issues of securities up to the threshold of 15% of its total equity securities in any 12 month period. Please refer to the Explanatory Statement for details.

**Voting Exclusions:** The Company will disregard any votes cast on this resolution by a person who participated in this issue, or any associate of those persons.

#### 2. Ratification of an Issue of 2,050,000 2009 Options to Hudson Securities Pty Ltd's Nominee

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

*"That in accordance with Listing Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited, shareholders ratify the allotment and issue on 26 November 2004 of 2,050,000 2009 Options to the nominee of Hudson Securities Pty Ltd that were issued for no consideration in accordance with the terms and conditions of a Broker Agreement dated 27 October 2004 and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Under the Listing Rules, the Company may seek shareholder ratification after making a placement to allow it the flexibility to make further issues of securities up to the threshold of 15% of its total equity securities in any 12 month period. Please refer to the Explanatory Statement for details.

**Voting Exclusions:** The Company will disregard any votes cast on this resolution by a person who participated in this issue, or any associate of those persons.

### 3. Placement Authority – Shares and Free Attached 2009 Options

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

*"That, for the purposes of Listing Rule 7.1 of the Listing Rules of Australian Stock Exchange Limited, and for all other purposes, approval is given for the Company to allot and issue, at the Directors' discretion, up to a maximum of 50,000,000 Shares and up to a maximum of 50,000,000 free attached 2009 Options in the capital of the Company at not less than 80% of the average market price over the last five (5) days on which sales in the Shares were recorded before the day on which the issue is made or if there is a prospectus the day the prospectus is signed, and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Under the Listing Rules, the Company may seek shareholder approval prior to making a placement of securities to allow it the flexibility to make further issues of securities up to the threshold of 15% of its total equity securities in any 12 month period. Please refer to the Explanatory Statement for details.

**Voting Exclusions:** The Company will disregard any votes cast on this resolution by a person who might participate in this issue and any person who may obtain a benefit, except a benefit solely in the capacity of a security holder if the resolution is passed, or any associate of those persons.

### 4. Ratification of an Issue of 1,000,000 Unlisted 2006 Options to Simon Gilbert

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

*"That in accordance with Listing Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited, shareholders ratify the allotment and issue on 5 May 2005 of 1,000,000 Unlisted 2006 Options to Simon Gilbert that were issued for no consideration in accordance with the terms and conditions of an employment agreement with him dated 16 June 2004 and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Under the Listing Rules, the Company may seek shareholder ratification after making a placement to allow it the flexibility to make further issues of securities up to the threshold of 15% of its total equity securities in any 12 month period. Please refer to the Explanatory Statement for details.

**Voting Exclusions:** The Company will disregard any votes cast on this resolution by a person who participated in this issue, or any associate of those persons.

DATED THIS 13<sup>th</sup> DAY OF MAY, 2005

BY ORDER OF THE BOARD

**BRADLEY S. MOORE**  
Chairman

#### NOTES

1. A shareholder of the Company 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.
2. 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 it is cast by a 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.
3. For the purposes of the Meeting, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote. The snapshot date is 9.00am (WST) on Tuesday, 14 June 2005.

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## SECTION 3

### General Information

This Explanatory Statement has been prepared for the information of shareholders in Reefton in connection with the business to be conducted at the General Meeting to be held on Thursday, 16 June 2005.

This Explanatory Statement should be read in conjunction with the accompanying Notice.

### Resolution 1 – Ratification of an issue of 5,000,000 Shares and 2,500,000 free attached 2009 Options

#### Introduction

In accordance with Listing Rule 7.4, the Directors are seeking ratification from shareholders of the allotment and issue of 5,000,000 Shares and 2,500,000 free attached 2009 Options on 26 November 2004 at an issue price of five (5) cents each.

The Shares issued rank pari passu with all existing Shares in the capital of the Company, and the 2009 Options rank pari passu with all existing 2009 Options on issue. Shares issued upon the exercise of the 2009 Options will rank pari passu with all existing Shares in the capital of the Company.

#### Listing Rule Requirements

Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of securities representing more than 15% of the issued capital of that company in any 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. This rule provides that where a company in general meeting ratifies the previous issue of securities made without approval under Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

Shareholder ratification for the Share and free attached 2009 Option issue is now sought pursuant to Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without shareholder approval.

Where one seeks to invoke the operation of Listing Rule 7.4, Listing Rule 7.5 requires certain information be provided in the notice of meeting.

For the purposes of Listing Rule 7.5, the following information is provided in relation to this resolution:

- (a) there were 5,000,000 Shares and 2,500,000 2009 Options issued;
- (b) the issue price of the Shares was five (5) cents. The 2009 Options were issued free attaching to the Shares;
- (c) The Shares issued rank pari passu with all existing Shares in the capital of the Company, and the 2009 Options rank pari passu with all existing 2009 Options on issue. Shares issued upon the exercise of the 2009 Options will rank pari passu with all existing Shares in the capital of the Company. The terms and conditions of the 2009 Options are set out in Appendix A;
- (d) the allottees of the Shares and free attached 2009 Options are set out in Appendix B; and
- (e) the monies raised from the issue will be used to fund ongoing exploration and evaluation programmes of the company's resource projects, to provide funds for the corporate and administration activities of the company, to provide working capital and to meet the costs of the issue.

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**Resolution 2 – Ratification of an issue of 2,050,000 2009 Options to Hudson Securities Pty Ltd's nominee**

**Introduction**

In accordance with Listing Rule 7.4, the Directors are seeking ratification from shareholders of the allotment and issue of 2,050,000 2009 Options on 26 November 2004 to Hudson Securities Pty Ltd's nominee that were issued for no consideration in accordance with a Broker Agreement dated 27 October 2004.

Hudson Securities Limited acted as broker to two placements of securities, completed on 10 November 2004 and 26 November 2004, that together raised \$2,050,000 for the Company. Pursuant to the terms and conditions of the Broker Agreement, Hudson Securities Pty Ltd were entitled to a management fee of 2% of the funds raised, a placement fee of 5% of the funds raised and one 2009 Option for each dollar raised. Accordingly, Hudson Securities Pty Ltd were entitled to and issued with 2,050,000 2009 Options.

The 2009 Options rank pari passu with all existing 2009 Options on issue. Shares issued upon the exercise of the 2009 Options will rank pari passu with all existing Shares in the capital of the Company.

**Listing Rule Requirements**

Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of securities representing more than 15% of the issued capital of that company in any 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. This rule provides that where a company in general meeting ratifies the previous issue of securities made without approval under Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

Shareholder ratification for the 2009 Option issue is now sought pursuant to Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without shareholder approval.

Where one seeks to invoke the operation of Listing Rule 7.4, Listing Rule 7.5 requires certain information be provided in the notice of meeting.

For the purposes of Listing Rule 7.5, the following information is provided in relation to this resolution:

- (a) there were 2,050,000 2009 Options issued;
- (b) The 2009 Options were issued for no consideration pursuant to the terms of a Broker Agreement dated 27 October 2004;
- (c) The 2009 Options rank pari passu with all existing 2009 Options on issue. Shares issued upon the exercise of the 2009 Options will rank pari passu with all existing Shares in the capital of the Company. The terms and conditions of the 2009 Options are set out in Appendix A;
- (d) the allottee of the 2009 Options was HTH Nominees Pty Ltd; and
- (e) No monies were raised as a result of the issue.

**Resolution 3 – Placement Authority – Shares and free attached 2009 Options**

**Introduction**

It is proposed that shareholders grant approval, pursuant to Listing Rule 7.1 of the Listing Rules to allot and issue, at the Director's discretion up to a maximum of 50,000,000 Shares in the capital of the Company and up to 50,000,000 free attached 2009 Options at an issue price of not less than 80% of the average market price over the last five (5) days on which sales in the Shares were recorded before the day on which the issue is made or if there is a prospectus the day the prospectus is signed.

This placement authority provides the Board with the flexibility to raise additional capital to support the Company's continued activities via the issue of new securities.

The Shares to be issued will rank equally in all respects with the Company's existing issued Shares and the 2009 Options rank pari passu with all existing 2009 Options on issue. Shares issued upon the exercise of the 2009 Options will rank pari passu with all existing Shares in the capital of the Company.

Subject to the approval and placement of the 50,000,000 Shares and 50,000,000 2009 Options to be issued pursuant to this resolution there will be 292,924,370 Shares, 38,940,000 Listed Partly Paid Shares, 5,000,000 Unlisted Partly Paid Shares, 201,494,234 2009 Options, and 1,000,000 Unlisted 2006 Options on issue.

The Shares to be issued pursuant to this resolution and any Shares issued upon exercise of the 2009 Options to be issued pursuant to this resolution will have a diluting effect on the issued capital of the Company.

**Listing Rule Requirements**

Listing Rule 7.1 requires that a company obtain shareholder approval prior to the issue of securities representing more than 15% of the issued capital of the Company.

The Company is seeking approval of the proposed issue of Shares and free attached 2009 Options pursuant to Resolution 3 to afford it to the flexibility to issue further securities within the 15 per cent facility referred to above.

For the purposes of Listing Rule 7.3, the following information is provided in relation to this resolution:

- (a) the maximum number of securities to be allotted will be 50,000,000 Shares, and 50,000,000 free attaching 2009 Options;
- (b) the issue will occur within three months of the date of the Meeting;
- (c) the Shares will be issued at an issue price of not less than 80% of the average market price over the last five (5) days on which sales in the Shares were recorded before the day on which the issue is made or if there is a prospectus the day the prospectus is signed. The 2009 Options will be issued free attached to the Shares;
- (d) the proposed allottees of the securities the subject of Resolution 3 are unknown. The allottees will be determined at the directors discretion;
- (e) the Shares to be issued will rank equally in all respects with the Company's existing issued Shares and the 2009 Options rank pari passu with all existing 2009 Options on issue. Shares issued upon the exercise of the 2009 Options will rank pari passu with all existing Shares in the capital of the Company;
- (f) the funds raised by reason of the are intended to be applied as follows:

<b>Application</b>	<b>Percentage (%)</b>
Exploration and development of the Company's exploration projects	40%
Review and acquisition of potential opportunities	15%
Corporate and administrative activities of the Company (including proposed AIM Listing)	15%
Working capital	22%
Costs of the issue	8%
<b>Total</b>	<b>100.0%</b>

- (g) the allotment will occur progressively.

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**Resolution 4 – Ratification of an issue of 1,000,000 Unlisted 2006 Options to Simon Gilbert**

**Introduction**

In accordance with Listing Rule 7.4, the Directors are seeking ratification from shareholders of the allotment and issue of 1,000,000 Unlisted 2006 Options on 5 May 2005 to Simon Gilbert, the former Chief Executive Officer of the Company. The Unlisted 2006 Options were issued for no consideration in accordance with Mr Gilbert's employment contract dated 16 June 2004.

Pursuant to the terms of the employment contract, and as announced on 5 May 2005, Mr Gilbert was entitled to be issued 1,000,000 Unlisted 2006 Options subject to and conditional upon him meeting pre-determined performance criteria during his employment. The performance criteria required the closing price of the Company's Shares on ASX to average 10 cents over five consecutive trading days. Between 18 March 2005 and 25 March 2005 the closing price averaged 14.4 cents.

The Unlisted 2006 Options are a new class of security. They will not be quoted on the ASX and they are not transferable. Shares issued upon the exercise of the Unlisted 2006 Options will rank *pari passu* with all existing Shares in the capital of the Company.

**Listing Rule Requirements**

Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of securities representing more than 15% of the issued capital of that company in any 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. This rule provides that where a company in general meeting ratifies the previous issue of securities made without approval under Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1.

Shareholder ratification for the Unlisted 2006 Option issue is now sought pursuant to Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without shareholder approval.

Where one seeks to invoke the operation of Listing Rule 7.4, Listing Rule 7.5 requires certain information be provided in the notice of meeting.

For the purposes of Listing Rule 7.5, the following information is provided in relation to this resolution:

- (a) there were 1,000,000 Unlisted 2006 Options issued;
- (b) The Unlisted 2006 Options were issued for no consideration pursuant to the terms of an employment contract with Simon Gilbert dated 16 June 2004;
- (c) The terms and conditions of the Unlisted 2006 Options are detailed at Appendix C of this Notice;
- (d) the allottee of the Unlisted 2006 Options was Mr Simon Gilbert and
- (e) No monies were raised as a result of the issue.

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## **Glossary of Defined Terms**

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means the Australian Stock Exchange Limited.

"Board" means the board of Directors of the Company.

"Company" and "Reefton" means Reefton Mining NL (ACN 010 546 675).

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

"Directors" means the Directors of the Company.

"Explanatory Statement" means the explanatory statement set out in Section 3 of this Memorandum.

"General Meeting" and "Meeting" means the meeting convened by the Notice.

"Listed Partly Paid Share" means a partly paid ordinary share in the capital of the Company, issued at \$0.07 per share and paid to \$0.01 per share on application.

"Listing Rules" means the Official Listing Rules of ASX.

"Memorandum" means this information memorandum.

"Notice" means the notice of meeting set out in Section 2 of this Memorandum.

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

"Unlisted Partly Paid Share" means a partly paid ordinary share in the capital of the Company, issued at \$0.09 per share and paid to \$0.01 per share on application.

"Unlisted 2006 Option" means an option to subscribe for and be issued one Share on the terms and conditions outlined in Appendix C.

"WST" means Western Standard Time.

"2009 Option(s)" mean an option to subscribe for and be issued one Share that is exercisable at 10 cents on or before 5pm WST on 30 November 2009.

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## Appendix A

### **Terms and Conditions of 2009 Options**

Each Option will entitle the holder to subscribe for a fully paid ordinary Share in the Company at ten (10) cents per Share on the following terms:-

- (a) The Options shall expire at 5:00 pm Western Standard Time on 30 November 2009 but may be exercised at any time prior to the 30 November 2009.
- (b) The Options are only exercisable at ten (10) cents each payable in cash.
- (c) The Options shall only be exercisable wholly or in part by executing and forwarding to the Company an Option Exercise Form.
- (d) There are no participating rights, or entitlements inherent in the Options to participate in any new issue or bonus issue of securities which may be offered to members of the Company from time to time prior to or on 30 November 2009.
- (e) Optionholders have the right to exercise their Options prior to the date of determining entitlements to any capital issue to the then existing shareholders of the Company made during the currency of the Options. In this regard, Optionholders shall be given at least 10 Business Days notice, before the determination of entitlements to any issue, to exercise their Options.
- (f) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the Options will be re-organised in accordance with the Listing Rules applicable at the time of the re-organisation.
- (g) Application for official quotation of the Options will be made by the Company in accordance with the ASX Listing Rules and the Corporations Act. In addition, application for official quotation of the Shares allotted and issued pursuant to the exercise of the Options will be made by the Company within three (3) business days after the date of allotment of such Shares.
- (h) Shares allotted and issued pursuant to the exercise of the Options will be allotted and issued no more than 15 days after the receipt of a properly executed exercise notice and receipt of the application moneys.
- (i) A statement will be issued for the Options. Attached to the statement there will be a form that must be executed and forwarded to the Company when exercising the Options. If there is more than one Option on a statement, and prior to 30 November 2009 those Options are exercised in part, the Company will issue another statement for the balance of the Options held and not yet exercised.

**Appendix B**

<b>Allottee</b>	<b>Shares</b>	<b>2009 Options</b>
Ian Gough	400,000	200,000
John Wilhelm	120,000	60,000
Carl Simon	160,000	80,000
Mr Nadarajan Narayanasamy & Mrs Annie Lazarus <NN Super Fund A/C>	120,000	60,000
Saracen Mineral Holdings Ltd	1,200,000	600,000
Rajan Narayanasamy <Aruna A/C>	100,000	50,000
Seman Investments Pty Ltd	300,000	150,000
Roger Pridham	300,000	150,000
Blaslov Fishing Investment Fund	1,200,000	600,000
Darryl Scharfe	800,000	400,000
Christopher Bollam	100,000	50,000
Julia Churcher	200,000	100,000
<b>Total</b>	<b>5,000,000</b>	<b>2,500,000</b>

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## Appendix C

### Terms and Conditions of the Unlisted 2006 Options

1. Each Option entitles the registered option holder to subscribe for and be allotted one fully paid ordinary share in the capital of Reefiton Mining NL ("**Company**"), at an exercise price of \$0.10 per share ("**Exercise Price**") on or before the Expiry Date ("**Option**").
2. The Company must, as soon as it is reasonably practicable to do so, allot shares on exercise of the Option in accordance with the listing rules ("**Listing Rules**") of Australian Stock Exchange Limited ("**ASX**") and register the option holder as a shareholder in the register of members in respect of the shares so allotted. No Option may be exercised if to do so would contravene the Corporations Act or the Listing Rules.
3. An Option is exercisable by the registered option holder lodging a notice of exercise of option together with, subject to the Options terms, the Exercise Price for each share to be issued on exercise, at the Company's registered office. The exercise of some Options only does not affect the registered option holder's right to exercise other Options at a later time. Remittances must be made payable to the Company and cheques should be crossed "not negotiable".
4. Options may be exercised at any time on or before 5pm WST on 30 June 2006 ("**Expiry Date**"). An Option not exercised by the Expiry Date lapses. There is no obligation to exercise the Options.
5. The Options are non-transferable.
6. The Company must apply to the ASX for official quotation of the shares issued on any exercise of an Option.
7. Shares issued on any exercise of an option will rank pari passu with all existing ordinary shares in the capital of the Company from the date of issue and will be entitled to each dividend for which the books closing date for determining entitlements falls after the date of issue.
8. There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered or made to shareholders during the currency of the Options. However, the company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. There will be no change to the Exercise Price of an Option in the event of the Company making a pro rata issue of Shares or other securities to Shareholders (other than a bonus issue).
10. If there is a bonus issue ("**Bonus Issue**") to shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
11. The rights of an option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation. The Company must give notice to the option holder of any adjustment to the number of shares that the option holder is entitled to subscribe for or be issued on exercise of the Option or the exercise price per share in accordance with the Listing Rules.

# PROXY FORM

**APPOINTMENT OF PROXY  
REEFTON MINING NL  
ACN 010 546 675**

**PLEASE REFER OVER  
FOR PROXY INSTRUCTIONS**

## GENERAL MEETING

I/We

being a Member of Reefton Mining NL entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held in The Presidents Room, The Celtic Club Inc., Level 1, 48 Ord Street, West Perth, Western Australia, on Thursday, 16 June 2005 at 9.00am (WST) and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

### Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Ratify of an issue of Shares and free attached 2009 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratify of an issue of 2009 Options to Hudson Securities Pty Ltd's nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Placement Authority – Shares and free Attached 2009 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratify of an issue of Unlisted 2006 Options to Simon Gilbert	<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 that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll, **OR**

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

**YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.**

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

Signed this \_\_\_\_\_ day of

2005

#### Individuals and joint holders

  
Signature  
Signature  
Signature

#### Companies (affix common seal if appropriate)

  
Director  
Director/Company Secretary  
Sole Director and Sole Company Secretary

# REEFTON MINING NL

ACN 010 546 675

## Instructions for Completing 'Appointment of Proxy' Form

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

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

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by Proxy, please complete and sign the Proxy Form as soon as possible and either:
  - Return the Proxy Form by post to Computershare Investor Services Pty Ltd, Level 2, Reserve Bank Building, 45 St Georges Terrace, Perth WA 6000; or
  - Send the Proxy by facsimile to the Company on facsimile number (08) 9322 7823 (International: +61 8 9322 7823); or
  - Deliver to the registered office of the Company at Level 1, 47 Ord Street, West Perth, Western Australia,

So that it is received not later than 9:00am (WST), 14 June 2005.