

**AUSSIE Q RESOURCES LIMITED**  
**A.C.N. 121 964 725**



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**NOTICE OF ANNUAL GENERAL MEETING**

**AND**

**PROXY FORM**

**Date of Meeting**  
**28 November 2008**

**Time of Meeting**  
**11.00 am**

**Place of Meeting**

**Town and Country Motel**  
**2 Southport-Nerang Road,**  
**Nerang, Gold Coast 4211**

**AUSSIE Q RESOURCES LIMITED**  
**A.C.N. 121 964 725**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the shareholders of Aussie Q Resources Limited, A.C.N. 121 964 725 (the "Company"), will be held at the Town and Country Motel, 2 Southport-Nerang Road, Nerang, Gold Coast on Friday 28 November 2008 commencing at 11.00 am for the purpose of transacting the following business.

**AGENDA**

**Financial Reports**

To receive and consider the annual Financial Statements of the Company for the year ended 30 June 2008 including, the Directors' Report and the Independent Audit Report.

The Financial Statements are contained in the Company's 2008 Annual Report which is available on the Company's website, [www.aussieqresources.com.au](http://www.aussieqresources.com.au). Shareholders will be given an opportunity to ask questions of the Directors and the Auditor in relation to these Financial Statements.

**Resolution 1 - Adoption of Remuneration Report**

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

“That the Remuneration Report be adopted”

The Remuneration Report is also contained in the 2008 Annual Report (refer page 12 ). It is a requirement of the Corporations Act that this Report be provided to shareholders and voted upon by a vote which is advisory only and does not bind the Directors or the Company.

**Resolution 2 - Re-election of Mr. Frank Gardiner as a Director (ordinary resolution).**

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

“That Mr. Frank Gardiner be elected a Director of the Company.”

Mr Gardiner was appointed to the Board as an additional Director on 11 July 2007 and the 2007 AGM elected him as a Director. Despite his election last year, it is required that either of Mr Goody or Mr Gardiner should submit to re-election this year and Mr Gardiner has been

selected by lot for re-election. The CEO, Dr Haren is exempt from retirement/re-election by rotation. Details of Mr. Gardiner's qualifications and experience are contained in the Annual Report.

### **Resolution 3 - Issue of Options to Mr Frank Gardiner (ordinary resolution)**

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

“That for the purposes of Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange and Section 208 of the Corporations Act 2001 and for all other purposes, the Company approve and authorise, conditional upon the re-election of Mr Gardiner as a Director of the Company at this meeting, the grant and issue to Mr. Gardiner or his nominee of 2 million options for no consideration, each at an exercise price of 20 cents expiring five years after the date of issue, and having the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting as Annexure A.”

**Notes:** For the purpose of this Resolution, the Company will, in accordance with the Listing Rules of the Australian Stock Exchange Limited, disregard any votes cast on the Resolution by Mr. Gardiner and any associate of Mr. Gardiner. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if 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 a proxy form to vote as the proxy decides.

An Explanation of this Resolution is set out after Resolution 5 below

### **Resolution 4 - Issue of Options to Mr. John Goody (ordinary resolution)**

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

“That for the purposes of Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange and Section 208 of the Corporations Act 2001 and for all other purposes, the Company approve and authorise the grant and issue to Mr. Goody or his nominee of 2 million options for no consideration, each at an exercise price of 20 cents, expiring five years after the date of issue, and having the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting as Annexure A.”

**Notes:** For the purpose of this Resolution, the Company will in accordance with the Listing Rules of the Australian Stock Exchange Limited, disregard any votes cast on the Resolution by Mr. Goody and any associate of Mr. Goody. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if 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 a proxy form to vote as the proxy decides.

An Explanation of this Resolution is set out after Resolution 5 below

### **Resolution 5 - Issue of Options to Dr. Richard Haren (ordinary resolution)**

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

“That for the purposes of Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange and Section 208 of the Corporations Act 2001 and for all other purposes, the Company approve and authorise the grant and issue to Dr. Haren or his nominee of 2 million options for no consideration, each at an exercise price of 20 cents expiring five years after the

date of issue, and having the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting as Annexure A.”

**Notes:** For the purpose of this Resolution, the Company will in accordance with the Listing Rules of the Australian Stock Exchange Limited, disregard any votes cast on the Resolution by Dr Haren and any associate of Dr Haren. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if 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 a proxy form to vote as the proxy decides.

**Explanation of Resolutions 3 to 5 (inclusive) Issue of Options to Directors (ordinary resolution)**

Resolutions 3 to 5 (inclusive) propose the grant of free options to Directors of the Company including their respective nominees. The precise terms of the options to be issued are set out in Annexure A (“Options”).

It is proposed that the Options to be granted for no consideration at an exercise price of 20 cents which is equal to the exercise price of 600,000 options recently provided to AQR’s staff. The Options would expire five years after the date of issue.

The Directors have valued the Options by reference to the Black and Scholes approach based on the following assumptions:

- (a) The underlying share price is assumed to be 8 cents. The volume weighted average sale price on the ASX for the Company’s shares over the 5 days immediately prior to the date of the Notice of this meeting was 8 cents
- (b) The risk free rate over the life of the options is assumed to be 6.2%,
- (c) The volatility of the returns on the underlying stock over the life of the options is assumed to be 60%.
- (d) No dividends are assumed to be paid during the life of the options.

The estimated value of an Option based on the above is 2.8 cents

The parties to whom the proposed grant of options will be made (referred to below) are Directors of the Company and hence are related parties of the Company.

Subject to shareholder approval, the following Options will be granted to the following Directors of the Company or their respective nominees:

Name of Director	Number of Options
Mr Frank Gardiner	2,000,000
Mr John Goody	2,000,000
Dr Richard Haren	2,000,000

The estimated value of the Options to be granted to each of the Directors is \$56,000.

To the extent Resolutions 3 to 5 inclusive are approved by shareholders, the relevant Options will be issued as soon as practicable after the date of shareholder approval and in any event within 1 month after the meeting. If the issue of Options is approved by shareholders under Listing Rule 10.11, no approval is required under Listing Rule 7.1.

The proposed financial benefit to be given is the grant of that number of Options set out in the table above for no consideration to each of the named Directors. The Options may be exercised in accordance with the terms and conditions as stipulated in Annexure A.

Each Director's recommendation in relation to resolutions 3 to 5 (inclusive) is as follows:

Director	Reason
Mr Frank Gardiner Mr John Goody Dr Richard Haren	Each Director declined to make a recommendation about resolutions 3 to 5 (inclusive) because he is the subject of one of those resolutions pursuant to which he will receive Options in the Company and the other two resolutions in respect of the grant of Options to other Directors may be considered cognate and therefore each Director may have a material personal interest in the outcome of these three resolutions.

If the Options proposed to be granted to the Directors are exercised, the effect will be to increase the Company's cash reserves and dilute the shareholding of existing shareholders. It may also increase the number of securities these Directors hold in the Company

The relevant interests of Directors in the securities of the Company as of the date of this Notice are:

Name of Director	Shares	Options
Mr Frank Gardiner	Nil	Nil
Mr John Goody	36,270,000*	18,000,000*#
Dr Richard Haren	3,000,000*	4,000,000*#

# Options exercisable at 30 cents expiring 30 January 2010.

\* Shares and options escrowed (other than 270,000 shares in which Mr Goody has a relevant interest) until 14 June 2009

As of the date of this Notice, the issued capital of the Company comprised of 120,166,666 ordinary fully paid shares and 30,600,000 unexercised options. If Options are issued to Directors as proposed, those Options will represent some 3.97% of the Company's issued capital on a fully diluted basis.

The market price of the Company's shares during the term of the Options will normally determine whether or not the option holder exercises the option. At the time any Options are exercised and shares issued pursuant to the exercise of the Options, the Company's ordinary shares may be trading on the ASX at a price which is higher than the exercise price of the Options.

Details of Directors remuneration which may be relevant to consideration of resolutions 3 to 5 is contained in the Remuneration Report to be considered by shareholders under Resolution 1 above.

The options will not be quoted on ASX and as such have no actual market value. The highest price of fully paid ordinary shares in the Company trading on ASX in the last 12 months was 26.5 cents and the lowest price of shares in the Company trading on ASX was 6 cents.

It is not considered that from an economic and commercial point of view there are any costs or detriments, including opportunity costs or taxation consequences, for the Company or benefits forgone by the Company resulting from the issue of the options pursuant to

resolutions 3 to 5 (inclusive) other than that the relevant accounting standard (AASB2) requires that share based payments be reflected in the Company's profit or loss in the year in which the transaction occurs. It is estimated that the costs to be reflected in the Company's profit and loss as a consequence of issue of all these Options will be \$168,000.

Apart from the information set out in this Explanatory Memorandum, there is no other information that is known to the Company or any of its Directors that is reasonably required by shareholders to decide whether or not it is in the Company's interests to pass Resolutions 3 to 5 inclusive.

### **Resolution 6 - Approval of future placements (ordinary resolution)**

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

“That for the purposes of Listing Rule 7.1 of the Listing Rules of the Australian Securities Exchange and for all other purposes, the Company approve and authorises the placement by Directors of up to 18 million ordinary fully paid shares in the Company to two or more places not later than 3 months after the date of this meeting, each share to be issued at not less than 80% of the volume weighted average market price of the Company's shares on the ASX over the 5 days prior to the date on which such share is issued.”

### **Explanation of Resolution 6 Approval of future placements (ordinary resolution)**

The Directors are of the view that it will be of significant benefit to the Company if its exploration effort is increased in the coming 12 months. The Company's current cash position is approximately \$4 million. It is the Directors' view that further drilling, assays, metallurgical testwork and geotechnical work needs to be done to upgrade and possibly increase the Company's current Inferred Resource. Additional employees and contractors will be required to get this work done and the Directors prefer that funding for this work be to hand before commitments are made. In addition some 15% of the granted area of the Company's exploration permits are to be compulsorily relinquished in the next 12 months and it is desirable to have done at least basic exploration on any area selected for relinquishment. This work can be funded by third parties under farm-out or joint venture arrangements or directly by the Company or a combination of both - which is the Directors' preference. If approved this resolution would enable the Directors to place up to 18 million shares in the 3 months after this meeting at the minimum price provided in the resolution. The proposed allottees are not yet known but are likely to be institutional investors or industrial consumers or traders interested in offtake of the metals contained in the Resources delineated by the Company to date. The shares to be issued will be ordinary fully paid shares ranking equally in all respects with the Company's current issued shares. ASX quotation will be sought for the shares which are issued under the authority of this resolution. The funds raised will be used as working capital to continue work on the prospects currently being explored and to widen the exploration effort to additional prospective areas. It is anticipated that a number of allotments will be made progressively. The effect of this approval will be that the Company's capacity to issue additional shares in the next 12 months up to 15% of its capital in accordance with ASX Listing Rule 7.1 will not be diminished by the proposed placements.

<p><b>Notes:</b> For the purpose of this Resolution, the Company will in accordance with the Listing Rules of the Australian Stock Exchange Limited, disregard any votes cast on the Resolution and any person who may participate in the proposed placements or any associate of any such person. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if 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 a proxy form to vote as the proxy decides.</p>
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## ANNEXURE A

### Terms and conditions of Options to be issued to Directors under resolutions 3 to 5

The terms and conditions of the Options are:

1. No amount will be payable for the issue of each Option.
2. A certificate or holding statement will be issued in respect of each holding of Options.
3. The Options shall expire on the fifth anniversary of the date of issue ("Expiry Date").
4. Subject to conditions 13 and 14 below, each Option is a right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company on payment of 20 cents ("Exercise Price").
5. The Exercise Price of each Option shall be payable in full on exercise of that option.
6. Options shall be exercisable by the delivery to the registered office of the Company of:  
  
a notice of exercise all or a specified number of Options signed by the option holder;  
and  
payment by cleared funds of the Exercise Price in respect of each Option.  
  
The notice must be accompanied by the relevant certificate or holding statement. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held.
7. The Company shall allot the resultant shares and deliver a holding statement within five business days of the exercise of the Option.
8. Options shall not be listed for official quotation on ASX.
9. The Options shall be freely transferable.
10. Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing ordinary fully paid shares of the Company in all respects.
11. The Company shall in accordance with the rules of the Australian Securities Exchange on which the Company's shares are quoted make application to have the shares allotted pursuant to an exercise of Options listed for official quotation on that stock exchange.
12. In the case of any entitlements issue (other than a bonus issue) the Exercise Price of each Option will be reduced according to the rules applicable from time to time under the Listing Rules of the Australian Securities Exchange or if the Company's shares are listed on another stock exchange under the rules of that stock exchange.
13. In the case of a bonus issue the number of shares over which the Option is exercisable will be increased by the number of shares which the option holder would have received if the option had been exercised before the record date for the bonus issue.

14. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules of the Australian Securities Exchange or if the Company's shares are listed on another stock exchange under the rules of that stock exchange.
15. The Options will not give any right to participate in dividends until shares are allotted pursuant to the exercise of the relevant Options.

By order of the Board



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Stephen J Lonergan  
Company Secretary

Dated: 21 October 2008

**Aussie Q Resources Limited**  
**A.C.N. 121 964 725**

**PROXY FORM**

The Company Secretary  
 Aussie Q Resources Limited  
 Registered Office Address:

Level 1, 27-29 Crombie Avenue,  
 Bundall QLD 4217

Facsimile: +61 7 5574 3568  
 Email: [aqr1@bigpond.com](mailto:aqr1@bigpond.com)

I/We (name of shareholder) .....

of (address) .....

being a member/members of Aussie Q Resources Limited HEREBY APPOINT

(name) .....

of (address) .....

and/or failing him (name) .....

of (address) .....

or failing that person then the Chairman of the Annual General Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Town and Country Motel 2 Southport-Nerang Road, Nerang, Gold Coast on 28 November 2008 commencing at 11.00am and at any adjournment of the meeting.

*If you do not wish to direct your Proxy how to vote, please place a mark in the box.*

By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote undirected proxies in favour of the resolutions before the meeting. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

*If you do wish to direct your Proxy how to vote, you should place a cross in the appropriate box(es) below:*

I/We direct my/our Proxy to vote in the following manner:

		For	Against	Abstain
<b>Resolution 1</b>	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b>	Re-election of Frank Gardiner as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>	Issue of Options to Frank Gardiner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b>	Issue of Options to John Goody	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b>	Issue of Options to Richard Haren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b>	Approval of Future Placements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

*This Proxy is appointed to represent \_\_\_ % of my voting right, or if 2 proxies are appointed Proxy 1 represents \_\_\_% and Proxy 2 represents \_\_\_% of my total votes*

*My total voting right is \_\_\_\_\_ shares*

**If the shareholder is an individual:**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

**If the shareholder is a company:**

\_\_\_\_\_  
 Director/Sole Director and Secretary

\_\_\_\_\_  
 Director/Secretary

**Dated .....**

## INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer of the company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting, by post, facsimile or email to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
  - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
  - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
  - (c) if the proxy is Chairperson, the proxy must vote on a poll and must vote that way, and
  - (d) if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.