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**JACKA RESOURCES LIMITED**

**ABN 79 140 110 130**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 1:00pm WST

**DATE:** Monday, 28 November 2011

**PLACE:** "Bentleys Boardroom"  
12 Kings Park Road  
West Perth WA 6005

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

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9388 8041.*

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

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The Annual General Meeting of the Shareholders of Jacka Resources Limited which this Notice of Annual General Meeting relates to will be held at 1:00pm WST on Monday, 28 November 2011 at "Bentleys Boardroom", 12 Kings Park Road, West Perth 6005, Western Australia.

### YOUR VOTE IS IMPORTANT

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### VOTING IN PERSON

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### VOTING BY PROXY

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all 'directed' proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

#### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and

- 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
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Jacka Resources Limited will be held at the "Bentleys Boardroom", 12 Kings Park Road, West Perth 6005, Western Australia at 1:00pm WST on Monday, 28 November 2011.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5:00pm WST on Saturday, 26 November 2011.

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

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## AGENDA

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### Reports and Accounts

To receive the financial report of the Company for the year ended 30 June 2011, together with the directors' report and the auditor's report.

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

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

*"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the Company to adopt the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2011."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

#### Voting Prohibition Statement:

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

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

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

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (d) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – BRETT SMITH

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

*"That, for the purpose of ASX Listing Rule 14.4 and for all other purposes, Brett Smith, being a Director, retires by rotation and, being eligible, is hereby re-elected as a Director."*

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### 3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – JUSTYN WOOD

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

*“That, Justyn Wood, being a Director, appointed 11 October 2011, retires in accordance with clause 11.11 of the Constitution and, being eligible, is hereby re-elected as a Director.”*

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### 4. RESOLUTION 4 – APPROVAL OF GRANT OF OPTIONS TO JUSTYN WOOD

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

*“That, subject to the passing of Resolution 4, for the purposes of Listing Rule 10.14 of the ASX Listing Rules, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 1,250,000 Director Options to Justyn Wood (or his nominee), under the Employee Incentive Scheme, on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

**ASX Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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### 5. RESOLUTION 5 – APPROVAL OF THE EMPLOYEE INCENTIVE SCHEME

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

*“That, for the purposes of Exception 9 of Rule 7.2 of the ASX Listing Rules and for all other purposes, approval is given for the Company to administer and issue securities under its employee incentive scheme as an exception to Listing Rule 7.1 and on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme) and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (iii) a member of the Key Management Personnel; or
  - (iv) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair of the Meeting; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**6. RESOLUTION 6 – APPROVAL FOR THE FUTURE PLACEMENT OF SHARES**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue and allot up to 25,000,000 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution 6 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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**DATED: 27 OCTOBER 2011**

**BY ORDER OF THE BOARD**

**AMANDA WILTON-HEALD**

**COMPANY SECRETARY**

**JACKA RESOURCES LIMITED**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting of the Company to be held at "Bentleys Boardroom", 12 Kings Park Road, West Perth 6005, Western Australia at 1:00pm WST on Monday, 28 November 2011.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

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

#### 1.1 General

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

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an [extraordinary] general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the [extraordinary] general meeting (**Spill Meeting**) within 90 days of the Company's 2012 annual general meeting. All of the Directors who were in office when the Company's 2012 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2011.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

#### 1.2 Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or any Closely Related Party of that member as your proxy to vote on this Resolution 1, *you must direct the proxy how they are to vote*. Where you do not direct the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

### 1.3 Definitions

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2011.

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## 2. RESOLUTION 2 – RE-ELECTION OF BRETT SMITH

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

A retiring Director is eligible for re-election. The Directors to retire at any annual general meeting must be those who have been longest in office since their last election but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by lot.

Brett Smith retires and seeks re-election in accordance with ASX Listing Rule 14.4. Details regarding Brett Smith are set out in the Company's 2011 Annual Report.

The Directors, other than Brett Smith, recommend that shareholders vote in favour of resolution 2.

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## 3. RESOLUTION 3 – RE-ELECTION OF JUSTYN WOOD

Clause 11.11 of the Constitution provides that any director appointed under clause 11.10 of the Constitution holds office until the next annual general meeting of the Company and is then eligible for re-election.

Justyn Wood, who was appointed on 11 October 2011, seeks re-election in accordance with clause 11.11 of the Constitution.

Details regarding Justyn Wood are set out in the Company's 2011 Annual Report.

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## 4. RESOLUTION 4 – APPROVAL OF GRANT OF OPTIONS TO JUSTYN WOOD

### 4.1 General

The Company seeks Shareholder approval for the grant of 1,250,000 Options to Justyn Wood (or his nominees) (**Director Options**), subject to two (2) year's vesting period, under the Company's Employee Incentive Scheme.

Justyn Wood is an Executive Director of the Company.

The grant of the Director Options pursuant to Resolution 4 is subject to the re-election of Justyn Wood as a Director pursuant to Resolution 3.



For a public company to give a financial benefit to a related party of the public company, the public company must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of the Director Options to Justyn Wood constitutes a giving a financial benefit. Further, Justyn Wood is a related party of the Company as defined under the Corporations Act by virtue of being a Director of the Company. Accordingly, the proposed grant of Director Options to Justyn Wood will constitute the provision of a financial benefit to a related party of the Company.

In addition, the grant of the Director Options to Justyn Wood pursuant to Resolution 4 is an issue of securities to a director under an employee incentive scheme and consequently shareholder approval is required for the purposes of ASX Listing Rule 10.14.

It is the view of the Directors that the exceptions set out in sections 210-216 of Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Director Options to Justyn Wood.

#### **4.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.14)**

Pursuant to Section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in respect of the proposed grant of the Director Options:

- (a) the related party to whom a financial benefit will be given is Justyn Wood and he is a related party by virtue of being a Director;
- (b) the maximum number of Director Options (being the nature of the financial benefit to be provided) to be granted is 1,250,000 Director Options;
- (c) the Director Options will be granted not later than twelve months after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that allotment will occur on one date;
- (d) the Director Options will be granted for no cash consideration, accordingly, no funds will be raised;
- (e) the terms and conditions of the Director Options are set out in Annexure C;
- (f) no other Directors or associates of Directors have received securities under the Employee Incentive Scheme;
- (g) all of the Directors of the Company (being Brett Smith, Richard Aden, Stephen Brockhurst, Scott Spencer and Justyn Wood) are eligible to participate in the Employee Incentive Scheme;
- (h) no loan will be provided to Justyn Wood in relation to the acquisition of Director Options nor the acquisition of Shares upon the exercise of Director Options;
- (i) the value of the Director Options is set out in section 4.2 below;
- (j) the remuneration and emoluments from the Company to Justyn Wood for the previous financial year and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Justyn Wood	\$80,796	\$142,944

- (k) Justyn Wood currently has no relevant interests in any securities of the Company;
- (l) if Shareholders approve the grant of Director Options to Justyn Wood, and all of the Director Options are exercised, the effect will be to dilute the shareholding of existing Shareholders by approximately 1.33% on an undiluted basis and based on the number of Shares on issue as at the date of this Notice. The market price for Shares during the term of the Director Options would normally determine whether or not Justyn Wood exercises the Director Options. If, at the time any of the Director Options are exercised, the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company;
- (m) the trading history of Shares on ASX during the last 12 months are as set out below:

	Date	Price
<b>Highest</b>	22 October 2010	\$0.26
<b>Lowest</b>	14, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29, 30 June 2011	\$0.07
<b>Last</b>	20 October 2011	\$0.16

- (n) the Board acknowledges the grant the Director Options to Justyn Wood is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options to Justyn Wood reasonable in the circumstances for the reason set out in subparagraph (q)(ii);
- (o) the primary purpose of the grant of the Director Options to Justyn Wood is to provide a performance linked incentive component in the remuneration package for Justyn Wood and to motivate and reward the performance of Justyn Wood in his role as Director;
- (p) Justyn Wood declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution;
- (q) Brett Smith recommends that Shareholders vote in favour of Resolution 4 for the following reasons:
  - (i) the grant of the Director Options to Justyn Wood will align the interests of Justyn Wood with those of Shareholders;
  - (ii) the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Justyn Wood; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Options upon the terms proposed;

- (r) Scott Spencer recommends that Shareholders vote in favour of Resolution 4 for the reasons set out in subparagraphs (q)(i) to (q)(iii);
- (s) Richard Aden recommends that Shareholders vote in favour of Resolution 4 for the reasons set out in subparagraphs (q)(i) to (q)(iii);
- (t) Stephen Brockhurst recommends that Shareholders vote in favour of Resolution 4 for the reasons set out in subparagraphs (q)(i) to (q)(iii); and
- (u) In forming their recommendations each Director considered Justyn Wood's experience, the market price of the Shares when the resolution was passed by the Board and current market practice when determining the number and exercise price of the Director Options to be granted to Justyn Wood; and
- (v) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 4.

#### **4.3 Valuation of the Director Options**

The Director Options have been valued by BDO Kendalls Corporate Finance (WA) Pty Ltd using the Black & Scholes pricing model. The valuation is based upon the following assumptions:

- (a) the Director Options expire five (5) years after the date of grant and are exercisable at \$0.20;
- (b) a volatility factor of 75% based on the historical volatility of the Company's Share price;
- (c) a risk free interest rate of 3.59% based on the Commonwealth Government Securities rate as at 7 October 2011; and
- (d) the valuation date for the Director Options was 7 October 2011 and the Share price on that date was \$0.14.

Based on the above, the 1,250,000 Director Options proposed to be granted to the Director pursuant to Resolution 4 have been valued at \$83,750, in relation to the Director Options granted to Justyn Wood.

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## **5. RESOLUTION 5 – APPROVAL OF THE EMPLOYEE INCENTIVE SCHEME**

### **5.1 General**

The Company has established an Employee Incentive Scheme, comprising an Employee Share Scheme and Employee Option Scheme the terms of which are set out in Annexures A and B ("Scheme"). Resolution 5 seeks shareholder approval in accordance with Exception 9 of Rule 7.2 of the ASX Listing Rules for the Company to issue securities under the Scheme without prior shareholder approval and in reliance on the exception to Listing Rule 7.1.

ASX Listing Rule 7.1 places certain restrictions on the extent to which a listed company may issue certain securities, including options. The effect is that shareholder approval is required before the company may issue certain securities representing more than 15% of the capital of the company within a 12 month period. However, certain issues are exempt from the restrictions of ASX Listing Rule 7.1 and are effectively disregarded for the purposes of determining the number of securities which a company may issue within a 12 month period.

Exempt issues include an issue of securities to persons participating in an employee incentive scheme where shareholders have approved the issue of securities under the scheme as an exemption from ASX Listing Rule 7.1. Shareholder approval must be given in a general meeting held not more than 3 years before the date of issue when the notice of meeting contains or is accompanied by certain prescribed information (set out below) (Exception 9 of ASX Listing Rule 7.2).

In order to take advantage of the exemption from ASX Listing Rule 7.1 and allow the Company flexibility to issue securities, shareholders are requested to approve the issue of securities under the Scheme as an exemption from Listing Rule 7.1. This approval will be effective for a period of 3 years from the date of the Resolution. It should be noted that Resolution 5 does not approve the issue of any Scheme Shares or Options to any Director of the Company. Scheme Shares or Options cannot be granted to Directors or associated of the Company unless prior approval of shareholders is obtained in accordance with the Listing Rules.

The main purposes of the Scheme is to give an additional incentive to Directors, employees and consultants of the Company to provide dedicated and ongoing commitment and effort to the Company, and for the Company to reward its Directors, employees and consultants for their efforts.

As the Employee Share Scheme and Employee Option Scheme have not been approved previously, no Scheme Shares or Scheme Options have been issued under the Scheme.

If Scheme Options are exercised, it will have the effect of increasing the Company's cash position by the amount of the exercise price multiplied by the number of options exercised. It will also increase the number of Shares that are on issue by the number of Options exercised.

Shares issued pursuant to the Scheme, and shares issued pursuant to the exercise of the Scheme Options will rank *pari passu* in all respects with the Company's existing Shares.

Subject to any restrictions imposed pursuant to the terms of issue of Scheme Shares or Scheme Options, the Company will make application to ASX for official quotation of Shares issued pursuant to the Scheme, and Shares issued upon the exercise of Options, if other Shares of the Company are listed at that time.

The Board recommends that shareholders vote in favour of resolution 5.

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## **6. RESOLUTION 6 – APPROVAL FOR THE FUTURE PLACEMENT OF SHARES**

### **6.1 General**

Resolution 6 seeks Shareholder approval for the allotment and issue of up to 25,000,000 Shares (**Placement**).

A summary of ASX Listing Rule 7.1 is outlined in Section 5 above.

The effect of Resolution 6 will be to allow the Directors to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## 6.2 Technical information required by ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is outlined in Section 5 above.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6 to allow Shareholders to assess the proposed facility for the future issue of up to 25,000,000 Shares:

- (a) the maximum number of Shares to be issued pursuant to the Placement is 25,000,000 Shares;
- (b) the Shares the subject of Resolution 6 will be issued and allotted no later than three (3) months after the date of this Meeting or such later date as approved by ASX;
- (c) the issue price of the Shares will be not less than 80% of the average market price of Shares calculated over the last 5 days on which sales in the Shares are recorded before the day on which the issue is made, or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the allottees in respect of Resolution 6 are not, as yet, identifiable but will be subscribers to be identified by the Company and any brokers appointed by the Company to manage the issue of the Shares. The allottees will not be related parties of the Company;
- (e) the Shares to be issued will be fully paid ordinary shares in the capital of the Company and shall rank pari-passu with the existing Shares of the Company;
- (f) the Shares to be issued will be allotted progressively as allottees are identified, however no Shares will be issued or allotted after the date which is three (3) months after the date of the Meeting; and
- (g) the Company intends to use the funds raised by the issue of Shares the subject of Resolution 6 for the exploration on the acquisition of the Nigeria Project as announced on the ASX on 28 September 2011 and continued exploration and appraisal of Tunisia and Tanzania assets. Any surplus funds will be used for general working capital purposes, review and analysis of new projects and for the funding of the Company's other existing activities.

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## ANNEXURE A – TERMS AND CONDITIONS OF EMPLOYEE SHARE SCHEME

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Set out below is a summary of the terms and conditions of the Employee Share Scheme:

- (a) **Eligibility:** Participants in the Employee Share Scheme (**Scheme**) may be Directors and Employees (as defined in the *Income Tax Assessment Act* 1936) of the Company or any of its associated bodies corporate and any other person permitted to participate in the Plan without requiring compliance with Chapters 6D.2, 6D.3 (except section 736) and 7.9 of the Corporations Act (**Participants**).
- (b) **Administration of Scheme:** The Board, or a duly appointed committee of the Board, is responsible for the operation of the Scheme.
- (c) **Participation:** The Board may from time to time, in its absolute discretion, make an offer to issue Shares under the Scheme (**Scheme Shares**) to any Participant upon such terms as the Board may determine.
- (d) **Invitations:** An offer to participate in the Scheme must specify:
  - i) the maximum number of Scheme Shares the Participant may apply for; ;
  - ii) the issue price for the Scheme Shares;
  - iii) an acceptance period;
  - iv) any restriction conditions attaching to the Scheme Shares;
  - v) the obligations of the Participant; and
  - vi) specify any matter the Board considers relevant.
- (e) **Issue price:** the issue price of each Scheme Share will be determined by the Board, which may be a nominal or nil issue price if so determined by the Board.
- (f) **Scheme limit:** The Company must ensure that the number of Scheme Shares offered by the Company under this Scheme when aggregated with:
  - i) the number of Scheme Shares issued during the previous 5 years under the Scheme (or any other employee share plan of the Company); and
  - ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted,does not exceed 5% of the total number of issued Shares at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with Class Order 03/184).
- (g) **Restriction on transfer:** Participants may not sell or otherwise deal with a Scheme Share until the expiry of the qualifying period in respect of the Scheme Shares, if any, that may be imposed by the Board and set out in the invitation.
- (h) **Buy back of Scheme Shares:** Subject to certain exceptions, where a restriction condition in relation to Scheme Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the restriction condition is waived by the Board:

- i) where the Scheme Shares were issued for no cash consideration, subject to the Corporations Act and the ASX Listing Rules, buy back the relevant Scheme Shares within 12 months of the date the restriction condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to \$0.0001 per Share; or
  - ii) where the Scheme Shares were issued for cash consideration, subject to the Corporations Act and the ASX Listing Rules, use its best endeavours to buy back the relevant Scheme Shares within 12 months of the date the restriction condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to the cash consideration paid by the Participant for the Plan Shares.
- (i) **Quotation on ASX:** The Company will apply for each Scheme Share to be admitted to trading on ASX upon issue of the Scheme Share.
- (j) **Rights attaching to Scheme Shares:** Scheme Shares will rank equally in all respects (other than with respect to any restrictions on transfer specified above or otherwise imposed by the Board) with other Shares on issue.

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**ANNEXURE B - TERMS AND CONDITION OF EMPLOYEE OPTION SCHEME**

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**(a) Eligibility**

The Board may invite full or part time employees and directors of the Company or an Associated Body Corporate of the Company to participate in the Scheme (**Eligible Employee**).

Eligible Employees do not possess any right to participate in the Scheme, as participation is solely determined by the Board.

**(b) Offer of Scheme Options**

The Scheme will be administered by the Board which may, in its absolute discretion, offer Scheme Options to any Eligible Employee from time to time as determined by the Board and, in exercising that discretion, may have regard to some or all of the following considerations:

- the Eligible Employee's length of service with the Company;
- the contribution made by the Eligible Employee to the Company;
- the potential contribution of the Eligible Employee to the Company; or
- any other matter the Board considers relevant.

**(c) Number of Scheme Options**

The number of Scheme Options to be offered to an Eligible Employee will be determined by the Board in its discretion and in accordance with the rules of the Scheme and applicable law.

**(d) Conversion**

Each Scheme Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.

**(e) Consideration**

Scheme Options issued under the Scheme will be issued for no consideration.

**(f) Exercise price**

The exercise price for Scheme Options offered under the Scheme will be determined by the Board.

**(g) Exercise conditions**

The Board may impose conditions, including performance-related conditions, on the right of a participant to exercise Scheme Option granted under the Scheme.



**(h) Exercise of Scheme Options**

A participant in the Scheme will be entitled to exercise their Scheme Options in respect of which the exercise conditions have been met provided the Scheme Options have not lapsed and the exercise of the Scheme Options will not result in the Company contravening ASIC Class Order 03/184. A holder may exercise Scheme Options by delivering an exercise notice to the Company secretary along with the Scheme Options certificate, and paying the applicable exercise price of the Scheme Options multiplied by the number of Scheme Options proposed to be exercised.

Within ten Business Days of receipt of the required items, the Company will, subject to the ASX Listing Rules, issue to the participant the relevant number of Shares.

**(i) Cessation of employment**

If the participant in the Scheme ceases to be an employee or director of, or render services to, the Company or an Associated Body Corporate for any reason (other than by death, permanent disability or permanent retirement from the workforce) prior to the lapse of the Scheme Options, and the exercise conditions attaching to the Scheme Options have been met, the participant will be entitled to exercise their Scheme Options in accordance with the Scheme for a period of up to 28 days after the date of the cessation event.

**(j) Death, permanent disability or retirement**

If the participant in the Scheme dies, becomes permanently disabled or permanently retires from the workforce as an employee or director of the Company prior to the lapse of the Scheme Options, the participant, or the participant's legal personal representative, will be entitled to exercise their Scheme Options in accordance with the Scheme rules for the period commencing on the date of the cessation event and ending on the first to occur of the date of lapsing of the Scheme Options and the date which is six months after the date of the cessation event.

**(k) Lapse of Scheme Options**

Scheme Options held by a participant in the Scheme will lapse immediately if:

- the Scheme Options have not been exercised by the date which is two years after the date of issue, or such other date as the Board determines in its discretion at the time of issue of the Scheme Options;
- the exercise conditions attaching to the Scheme Conditions are unable to be met; or
- the holder ceases to be an employee or director of the Company or an Associated Body Corporate and the exercise conditions have not been met.

**(l) Participation in Rights Issues and Bonus Issues**

The Scheme Options granted under the Scheme do not give the holder any right to participate in rights issues or bonus issues unless Shares are allotted pursuant to the exercise of the relevant Scheme Options prior to the record date for determining entitlements to such issue. The number of Shares issued on the exercise of Scheme Options will be adjusted for bonus issues made prior to the exercise of the Scheme Options.

(m) **Reorganisation**

The terms upon which the Scheme Options will be granted will not prevent the Scheme Options being reorganised as required by the ASX Listing Rules on the reorganisation of the capital of the Company.

(n) **Limitation on offers**

If the Company makes an offer under the Scheme where:

- the total number of Shares to be received on exercise of Scheme Options the subject of that offer exceeds the limit set out in ASIC Class Order 03/184; or
- the Offer does not otherwise comply with the terms and conditions set out in ASIC Class Order 03/184,

the Company must comply with Chapter 6D of the Corporations Act at the time of that offer.

(o) **Trigger event**

If any of the following events occur:

- the Company is subject to a takeover bid;
- the Company proposes a scheme of arrangement with its members under Part 5.1 of the Corporations Act; or
- a person, or group of associated persons, becomes entitled to sufficient Shares to give him or them the ability, in general meeting, to replace all or a majority of the Board, where such ability was not already held by a person associated with such a person or group of persons,

then the Board may:

- determine that Scheme Options may be exercised at any time from the date of such event so as to permit the holder to participate in the change of control arising from the event; or
- use its reasonable endeavours to procure that an offer is made to holder of Scheme Options on like terms to the terms proposed in such event.

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## ANNEXURE C – TERMS AND CONDITION OF DIRECTOR OPTIONS

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1. Each Director Option entitles the holder to acquire one fully paid ordinary share in the Company.
2. The exercise price of the Director Options will be \$0.20 per Director Option (**Exercise Price**).
3. The Director Options shall vest on the date which is two years from the date of grant (**Vesting Date**).
4. On and from the Vesting Date, each Director Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the Exercise Price per Director Option exercised.
5. The Director Options will lapse at 5.00pm WST on the date of expiration, being five(5) years from date of grant.
6. On and from the Vesting Date, the Director Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Director Options at any time until the date of expiration. This right is subject to any restrictions on the transfer of an Option that may be imposed by ASX in circumstances where the Company is listed on ASX.
7. The Director Options shall not entitle the Optionholder to participate in new issues of securities. However, the Optionholder shall be given notice of any proposed pro rata issue to be made available to shareholders at least nine (9) business days prior to and inclusive of the record date of that issue (to determine entitlements to the issue) to enable them to exercise the Director Options in order to participate in the issue.
8. Shares issued on the exercise of Director Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of a Director Option will rank equally with the then issued ordinary shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the Listing Rules.
9. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
10. If there is a bonus issue to shareholders, the number of shares over which the Director Option is exercisable may be increased by the number of shares which the holder of the Option would have received if the Director Option had been exercised before the record date for the bonus issue.
11. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Director Options may be reduced in accordance with Listing Rule 6.22.

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## GLOSSARY

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

**2011 Annual Report** means the Company's annual report for the year ended 30 June 2011, which can be downloaded from the Company's website at [jackaresources.com.au](http://jackaresources.com.au).

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 724 791).

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

**Board** means the Board of Directors of the Company.

**Company** or **Jacka Resources** means Jacka Resources Limited (ABN 79 140 110 130).

**Constitution** means the Company's constitution.

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

**Directors** mean the current directors of the Company.

**Explanatory Statement** means the explanatory statement to this Notice.

**Meeting** means the meeting convened by the Notice.

**Notice** means the notice of meeting accompanying this Explanatory Statement.

**Option** means an option to acquire a Share.

**Remuneration Report** means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2011 Annual Report.

**Scheme** means the Jacka Resources Limited Employee Incentive Scheme, comprising the Jacka Resources Limited Employee Share Scheme and the Jacka Resources Limited Employee Option Scheme.

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

**Shareholder** means a shareholder of the Company.

**WST** means Western Standard Time.

# PROXY FORM

APPOINTMENT OF PROXY  
JACKA RESOURCES LIMITED  
ABN 79 140 110 130

## ANNUAL GENERAL MEETING

I/We

of

Appoint

being a member of Jacka Resources Limited entitled to attend and vote at the Annual General Meeting, hereby

Name of proxy

OR

the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at the "Bentleys Boardroom", 12 Kings Park Road, West Perth 6005, Western Australia at 1:00pm WST on Monday, 28 November 2011, and at any adjournment thereof.

Important for Resolution 1: If the Chair of the Meeting or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or a Closely Related Party of that member is your proxy and you have not directed the proxy to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chair, another member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or Closely Related Party of that member is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 2 –6** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 2 – 6 and that votes cast by the Chair of the Annual General Meeting for Resolutions 2 – 6 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 2 – 6 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 2 – 6.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

OR

### Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Brett Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Director – Justyn Wood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of Grant of Options to Justyn Wood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of the Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval for the Future Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Signature of Member(s): \_\_\_\_\_ Date: \_\_\_\_\_

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: \_\_\_\_\_ Contact Ph (daytime): \_\_\_\_\_

E-mail Address: \_\_\_\_\_ Consent for contact by e-mail YES ☐ NO ☐

**JACKA RESOURCES LIMITED**  
**ABN 79 140 110 130**  
**Instructions for Completing 'Appointment of Proxy' Form**

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

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

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form enclosed and either:
  - (a) send the proxy form by post to Jacka Resources Limited, PO Box 1904, Subiaco, Western Australia 6904; or
  - (b) send the proxy form by facsimile to the Company on facsimile number (08) 9388 8042,

so that it is received not later than 5:00pm WST on Saturday, 26 November 2011.

**Proxy forms received later than this time will be invalid.**