

# EnviroMission

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COMPANY ANNOUNCEMENTS DIVISION  
For Immediate Release  
Friday, 29 October, 2010

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## Notice of Annual General Meeting

Following is the EnviroMission Limited Notice of Annual General Meeting, incorporating resolutions, explanatory memorandum, and proxy form.

EnviroMission advises all equity placements seeking ratification from shareholders were made to unrelated parties and all capital raised from these placements was used for working capital as described in all New Issue Announcements – Appendix 3B filings with the ASX.

Ends.



Kim Forte  
Communications Manager  
EnviroMission Limited



**NOTICE OF ANNUAL GENERAL MEETING**  
**INCORPORATING EXPLANATORY MEMORANDUM**  
**AND**  
**PROXY FORM**

**Date of Meeting:** Monday, 29 November, 2010  
**Time of Meeting:** 10.30 am (AEDST)  
**Place of Meeting:** Morgans, 401 Collins Street, Melbourne

Notice is hereby given that the Annual General Meeting (**Meeting**) of EnviroMission Limited's (**Company**) shareholders (**Shareholders**) will be held at Morgans, 410 Collins Street Melbourne on Monday, 29 November, 2010 at 10.30 am (AEDST) for the purpose of transacting the business set out below.

The explanatory memorandum (**Explanatory Memorandum**) that accompanies and forms part of this notice of Meeting (**Notice**), describes in more detail the matters to be considered.

In accordance with section 249HA of the *Corporations Act 2001* (Cth) (**Corporations Act**) for each of the resolutions numbered 1 to 26 set out below to be effective, each resolution must be passed at a meeting of Shareholders of which not less than 28 days written notice specifying the intention to propose the resolutions has been given.

In addition, each resolution must be passed by not less than a majority of all the votes cast by the Shareholders entitled to vote on the resolutions (whether in person or by proxy, attorney or representative). Please note the relevant voting exclusion statements set out below.

For the purposes of determining voting entitlements at the Meeting, ordinary shares in the Company ("**Shares**") will be taken to be held by Shareholders as at 5.00 pm on Friday 26 November 2010 ("**Effective Time**"). Accordingly, transactions registered after the Effective Time will be disregarded in determining entitlements to attend and vote at the Meeting.

**This Is An Important Document**

This Notice of Meeting and Explanatory Memorandum and any annexures enclosed (**Documents**) are important documents and should be read carefully. The Documents, both individually or collectively, do not constitute financial product advice and have been prepared without reference to the investment objectives, financial situation, taxation position or particular needs of any existing or prospective shareholder(s) of EnviroMission Limited ACN 094 963 238 (**Shareholders**). Shareholders should not construe the Documents as investment, tax or legal advice. Shareholders should seek expert professional advice from their investment, tax, legal and/or other advisers in respect to the Documents before the date of the Meeting.

Following the Chairman's address, the agenda for the Meeting will be as follows:

**Ordinary Business**

**A.** To receive and consider the annual report, financial statements, director's report and auditor's report for the year ended 30 June 2010.

**B. Resolution 1 – Re-election of Director**

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

"That Mr Guoxiang Ma who retires in accordance with Articles 6.3(c) of the Constitution of the Company and, being eligible, offers himself for re-election, be re-elected as a Director"

**C. Resolution 2 – (Non Binding) Adoption of Remuneration Report**

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

"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (being pages 5, 6 and 7 of the Company's Annual Report) for the financial year ended 30 June 2010 be adopted."

**Special Business**

**1. Resolution 3 – Ratification of Issue of Shares and Granting of Options to Draffin Walker Pty Ltd (Less than 15% of Capital)**

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

"That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the:

- issue and allotment of 880,000 Shares to Draffin Walker Pty Ltd at an issue price of A\$0.05 (5.0 cents) per Share; and
- grant of 440,000 options to subscribe for Shares to Draffin Walker Pty Ltd, on a one for one basis, with an exercise price of A\$0.10 (10 cents) for each Share."

**Voting Exclusion Statement for Resolution 3**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 3 by Draffin Walker Pty Ltd or an associate of Draffin Walker Pty Ltd. 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 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.

Note: The meaning of “associate” for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to “associate” references occurring in Chapter 7 of the Corporations Act.

**2. Resolution 4 - Ratification of Issue of Shares and Granting of Options to 530 Collins St Pty Ltd (Less than 15% of Capital)**

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

“That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the:

- issue and allotment of 1,000,000 Shares to 530 Collins St Pty Ltd at an issue price of A\$0.05 (5 cents) per Share; and
- grant of 500,000 Options to 530 Collins St Pty Ltd on a one for one basis, with an exercise price of A\$0.10 (10 cents) for each Share.”

**Voting Exclusion Statement for Resolution 4**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 4 by 530 Collins St Pty Ltd, or an associate of 530 Collins St Pty Ltd. 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 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.

Note: The meaning of “associate” for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to “associate” references occurring in Chapter 7 of the Corporations Act.

**3. Resolution 5 - Ratification of Issue of Shares and Granting of Options to Andelou Pty Ltd (Less than 15% of Capital)**

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

“That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the:

- issue and allotment of 2,325,581 Shares to Andelou Pty Ltd at an issue price of A\$0.043 (4.3 cents) each; and
- grant of 1,162,790 options to subscribe for Shares to Andelou Pty Ltd, on a one for one basis, with an exercise price of A\$0.086 (8.6 cents) for each Share.”

#### **Voting Exclusion Statement for Resolution 5**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 5 by Andelou Pty Ltd, or an associate of Andelou Pty Ltd. 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 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.

Note: The meaning of “associate” for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to “associate” references occurring in Chapter 7 of the Corporations Act.

#### **4. Resolution 6 - Ratification of Issue of Shares and Granting of Options to Justin Tremayne Sterley (Less than 15% of Capital)**

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

“That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the:

- issue and allotment of 250,000 Shares to Justin Tremayne Sterley at an issue price of A\$0.04 (4 cents) per Share; and
- granting of 125,000 options to subscribe for Shares to Justin Tremayne Sterley, on a one for one basis, with an exercise price of A\$0.08 (8 cents) for each Share.”

#### **Voting Exclusion Statement for Resolution 6**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 6 by Justin Tremayne Sterley, or an associate of Justin Tremayne Sterley. 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 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.

Note: The meaning of “associate” for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to “associate” references occurring in Chapter 7 of the Corporations Act.

**5. Resolution 7 - Ratification of Issue of Shares and Granting of Options to Hiroyasu Aoki (Less than 15% of Capital)**

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

“That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the:

- issue and allotment of 250,000 Shares to Hiroyasu Aoki at an issue price of A\$0.04 (4 cents) per Share; and
- granting of 125,000 options to subscribe for Shares to Hiroyasu Aoki, on a one for one basis, with an exercise price of A\$0.08 (8 cents) for each Share.”

**Voting Exclusion Statement for Resolution 7**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 7 by Hiroyasu Aoki, or an associate of Hiroyasu Aoki. 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 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.

Note: The meaning of “associate” for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to “associate” references occurring in Chapter 7 of the Corporations Act.

**6. Resolution 8 - Ratification of Issue of Shares and Granting of Options to The Harding Superannuation Fund (Less than 15% of Capital)**

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

“That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify on the:

- issue and allotment of 2,500,000 Shares to The Harding Superannuation Fund at an issue price of A\$0.04 (4 cents) per Share; and
- granting of 1,250,000 options to subscribe for Shares to The Harding Superannuation Fund, on a one for one basis, with an exercise price of A\$0.08 (8 cents) for each Share.”

**Voting Exclusion Statement for Resolution 8**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 8 by The Harding Superannuation Fund, or an associate of The Harding Superannuation Fund. 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 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.

Note: The meaning of “associate” for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to “associate” references occurring in Chapter 7 of the Corporations Act.

**7. Resolution 9 - Ratification of Granting of Options to Robert Zabors (Less than 15% of Capital)**

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

“That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the granting of 2,681,965 options to subscribe for Shares to Robert Zabors on a one for one basis, with an exercise price of A\$0.09 (9 cents) for each Share.”

**Voting Exclusion Statement for Resolution 9**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 9 by Robert Zabors, or an associate of Robert Zabors. 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 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.

Note: The meaning of “associate” for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to “associate” references occurring in Chapter 7 of the Corporations Act.

**8. Resolution 10 – Ratification of Granting of Options to Gary Nathanson (Less than 15% of Capital)**

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

“That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the granting of 859,416 options to subscribe for Shares to Gary Nathanson exercisable at a price of A\$0.09 (9 cents) each on or before 1 February 2011.”

**Voting Exclusion Statement for Resolution 10**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 10 by Gary Nathanson or an associate of Gary Nathanson. 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 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.

Note: The meaning of "associate" for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to "associate" references occurring in Chapter 7 of the Corporations Act.

**9. Resolution 11 - Ratification of Granting of Options to Julie Ann Wrigley 1999 Revocable Trust (Less than 15% of Capital)**

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

"That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the granting of 1,426,882 options to subscribe for Shares to the Julie Ann Wrigley 1999 Revocable Trust exercisable at a price of A\$0.092 (9.2 cents) each on or before 1 February 2011."

**Voting Exclusion Statement for Resolution 11**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 11 by the Julie Ann Wrigley 1999 Revocable Trust, or an associate of the Julie Ann Wrigley 1999 Revocable Trust. 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 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.

Note: The meaning of "associate" for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to "associate" references occurring in Chapter 7 of the Corporations Act.

**10. Resolution 12 - Ratification of Granting of Options to MAG Capital Investment Fund 11 LLC (Less than 15% of Capital)**

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

"That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the granting of 494,641 options to subscribe for Shares to MAG Capital Investment Fund 11 LLC exercisable at a price of A\$0.084 (8.4 cents) each on or before 1 February 2011."

**Voting Exclusion Statement for Resolution 12**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 12 by MAG Capital Investment Fund 11 LLC, or an associate of MAG Capital Investment Fund 11 LLC. 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 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.

Note: The meaning of "associate" for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to "associate" references occurring in Chapter 7 of the Corporations Act.

**11. Resolution 13 - Ratification of Granting of Options to Sunshine Yuma LLC (Less than 15% of Capital)**

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

"That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the granting of 359,830 options to subscribe for Shares to Sunshine Yuma LLC exercisable at a price of A\$0.096 (9.6 cents) each on or before 1 February 2011."

**Voting Exclusion Statement for Resolution 13**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 13 by Sunshine Yuma LLC, or an associate of Sunshine Yuma LLC. 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 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.

Note: The meaning of "associate" for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to "associate" references occurring in Chapter 7 of the Corporations Act.

**12. Resolution 14 - Ratification of Granting of Options to Ronald Derek Dellow & Suzanne Lois Dellow (Less than 15% of Capital)**

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

"That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the granting of 363,636 options to subscribe for Shares to Ronald Derek Dellow and Suzanne Lois Dellow exercisable at a price of A\$0.11 (11 cents) each on or before 1 February 2011."

**Voting Exclusion Statement for Resolution 14**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 14 by Ronald Derek Dellow and Suzanne Lois Dellow, or an associate of Ronald Derek Dellow and Suzanne Lois Dellow. 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 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.

Note: The meaning of "associate" for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to "associate" references occurring in Chapter 7 of the Corporations Act.

**13. Resolution 15 - Ratification of Granting of Options to Steven Andrew Dellow (Less than 15% of Capital)**

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

"That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the granting of 272,727 options to subscribe for Shares to Steven Andrew Dellow exercisable at a price of A\$0.11 (11 cents) each on or before 1 February 2011."

**Voting Exclusion Statement for Resolution 15**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 15 by Steven Andrew Dellow, or an associate of Steven Andrew Dellow. 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 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.

Note: The meaning of "associate" for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to "associate" references occurring in Chapter 7 of the Corporations Act.

**14. Resolution 16 - Ratification of Granting of Options to Sherryn Louise Dellow (Less than 15% of Capital)**

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

"That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the granting of 272,727 options to subscribe for Shares to Sherryn Louise Dellow exercisable at a price of A\$0.11 (11 cents) each on or before 1 February 2011."

**Voting Exclusion Statement for Resolution 16**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 16 by Sherryn Louise Dellow, or an associate of Sherryn Louise Dellow. 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 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.

Note: The meaning of "associate" for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to "associate" references occurring in Chapter 7 of the Corporations Act.

**15. Resolution 17 - Ratification of Granting of Options to Christopher King (Less than 15% of Capital)**

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

"That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the granting of 96,910 options to subscribe for Shares to Christopher King exercisable at a price of A\$0.11 (11 cents) each on or before 1 February 2011."

**Voting Exclusion Statement for Resolution 17**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 17 by Christopher King, or an associate of Christopher King. 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 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.

Note: The meaning of "associate" for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to "associate" references occurring in Chapter 7 of the Corporations Act.

**16. Resolution 18 - Ratification of Granting of Options to Veracity Analytics Ventures LLC (Less than 15% of Capital)**

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

"That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the granting of 736,640 options to subscribe for Shares to Veracity Analytics Ventures LLC exercisable at a price of A\$0.108 (10.8 cents) each on or before 1 February 2011."

**Voting Exclusion Statement for Resolution 18**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 18 by Veracity Analytics Ventures LLC, or an associate of Veracity Analytics Ventures LLC. 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 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.

Note: The meaning of "associate" for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to "associate" references occurring in Chapter 7 of the Corporations Act.

**17. Resolution 19 - Ratification of Granting of Options to Eugene Tripp Jr (Less than 15% of Capital)**

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

"That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the granting of 230,000 options to subscribe for Shares to Eugene Tripp Jr exercisable at a price of A\$0.10 (10 cents) each on or before 1 February 2011."

**Voting Exclusion Statement for Resolution 19**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 19 by Eugene Tripp Jr, or an associate of Eugene Tripp Jr. 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 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.

Note: The meaning of "associate" for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to "associate" references occurring in Chapter 7 of the Corporations Act.

**18. Resolution 20 - Ratification of Prior Issue of Options to Andelou Pty Ltd (Less than 15% of Capital)**

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

"That for the purposes of compliance with ASX Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the previous granting of 2,000,000 options to subscribe for Shares to Andelou Pty Ltd exercisable at a price of A\$0.10 (10 cents) each on or before 1 February 2011."

**Voting Exclusion Statement for Resolution 20**

In accordance with ASX Listing Rules 7.5.6, 14.11 and 14.11.1, the Company will disregard any votes cast on resolution 20 by Andelou Pty Ltd, or an associate of Andelou Pty Ltd. 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 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.

Note: The meaning of “associate” for the purposes of voting exclusion is as given in section 11 and section 13 to 17 of the Corporations Act. Section 13 is to be applied as if it was not confined to “associate” references occurring in Chapter 7 of the Corporations Act.

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**19. Resolution 21 – Approval of Share Option Plan**

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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 7.2 Exception 9, section 260C(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Company's adoption of the Share Option Plan as constituted by the Share Option Plan Rules, a summary of the terms of which is annexed to this Notice of Annual General Meeting a summary of the terms of which is in Annexure 2."

**Voting Exclusion Statement for Resolution 21**

In accordance with Listing Rules 7.2 Exception 9(b) and 14.11, the Company will disregard any votes cast on Resolution 21 by a Director of the Company eligible to participate in the Share Option Plan and an associate of any such Director. However, the Company will not disregard a vote if:

- (a) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- (b) It is cast by 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.

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**20. Resolution 22 – Granting of Options to Key Personnel (Subject to Share Option Plan)**

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

"That, subject to resolution 21 being duly approved by the Shareholders, and pursuant to and in accordance with ASX Listing Rule 7.1 and for all other purposes, the Shareholders approve the granting of 7,500,000 options to subscribe for Shares exercisable at A\$0.20 (20 cents) each on or before 15 September 2014 to Key Personnel (or their nominees) on the terms and conditions included in the Explanatory Memorandum accompanying this notice".

**Voting Exclusion Statement for Resolution 22**

In accordance with ASX Listing Rules 7.3.8, 14.11 and 14.11.1, the Company will disregard any votes cast on this resolution 22 by the person or their associates who will be granted the options to subscribe for Shares being Kim Forte, Christopher J Davey and Andrew Forte who may participate in the grant of options and anyone who might obtain a benefit, except a benefit solely in their capacity as holder of ordinary

securities, if the resolution is passed. However the Company will not disregard the vote if:

- (a) It is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy form; or
- (b) 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.

**21. Resolution 23 – Granting of Options to Roger C Davey (Subject to Share Option Plan)**

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

“That, subject to resolution 21 being duly approved by the Shareholders, and pursuant to and in accordance with ASX Listing Rules 7.1 and 10.14, and for all other purposes, the Shareholders approve the granting of 7,500,000 options to subscribe for Shares exercisable at A\$0.20 (20 cents) each on or before 15 September 2014 to Roger C Davey (or his nominees) on the terms and conditions included in the Explanatory Memorandum accompanying this notice”.

**Voting Exclusion Statement for Resolution 23**

In accordance with ASX Listing Rules 10.13.6, 14.11 and 14.11.1, the Company will disregard any votes cast on this resolution 23 by Roger C Davey or an associate of Roger C Davey who may participate in the grant of options and anyone who might obtain a benefit, except a benefit solely in their capacity as holder of ordinary securities, if the resolution is passed. However the Company will not disregard the vote if:

- (a) It is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy form; or
- (b) 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.

**22. Resolution 24 – Granting of Options to David Galbally QC (Subject to Share Option Plan)**

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

“That, subject to resolution 21 being duly approved by the Shareholders, and pursuant to and in accordance with ASX Listing Rules 7.1 and 10.14, and for all other purposes, the Shareholders approve the granting of 4,000,000 options to subscribe for Shares exercisable at A\$0.20 (20 cents) each on or before 15 September 2014 to David Galbally QC (or his nominees) on the terms and conditions included in the Explanatory Memorandum accompanying this notice”.

**Voting Exclusion Statement for Resolution 24**

In accordance with ASX Listing Rules 10.13.6, 14.11 and 14.11.1, the Company will disregard any votes cast on this resolution 24 by David Galbally QC or an associate of David Galbally QC who may participate in the grant of options and anyone who might obtain a benefit, except a benefit solely in their capacity as holder of ordinary securities, if the resolution is passed. However the Company will not disregard the vote if:

- (a) It is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy form; or
- (b) 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.

**23. Resolution 25 – Granting of Options to Key Personnel (Remuneration Options)**

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

“That, pursuant to and in accordance with Listing Rules 7.1 and for all other purposes, the Shareholders approve the issue and allotment of 22,000,000 options to subscribe for Shares to Key Personnel (or their nominees) exercisable at A\$0.10 cents (10 cents) each on or before 15 September 2014 on the terms and conditions included in the Explanatory Memorandum accompanying this notice”.

**Voting Exclusion Statement for Resolution 25**

In accordance with ASX Listing Rules 10.13.6, 14.11 and 14.11.1, the Company will disregard any votes cast on this resolution 25 by a person or their associates who will be granted the options to subscribe for Shares being Kim Forte, Christopher J Davey, Andrew Forte, Douglas Fant, Lee Tanner and David Rosenberg who may participate in the grant of options and anyone who might obtain a benefit, except a benefit solely in their capacity as holder of ordinary securities, if the resolution is passed. However the Company will not disregard the vote if:

- (a) It is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy form; or
- (b) 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.

**24. Resolution 26 – Granting of Options to Roger C Davey (Remuneration Options)**

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

“That, pursuant to and in accordance with Listing Rules 7.1 and 10.11, and for all other purposes, the Shareholders approve the issue and allotment of 10,000,000 options to subscribe for Shares to Roger C Davey (or his nominees) exercisable at A\$0.10 cents (10 cents) each on or before 15 September 2014 on the terms and conditions included in the Explanatory Memorandum accompanying this notice”.

**Voting Exclusion Statement for Resolution 26**

In accordance with ASX Listing Rules 10.13.6, 14.11 and 14.11.1, the Company will disregard any votes cast on this resolution 26 by Roger C Davey or an associate of Roger C Davey who may participate in the grant of options and anyone who may obtain a benefit, except a benefit solely in their capacity as holder of ordinary securities, if the resolution is passed. However the Company will not disregard the vote if:

- (a) It is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy form: or
- (b) 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.



**THIS EXPLANATORY MEMORANDUM** has been prepared to assist Shareholders of EnviroMission Limited (**the Company**) in their consideration of the resolutions proposed for the General Meeting (**Meeting**) to be held at Morgans, 410 Collins Street, Melbourne on Monday 29 November 2010 at 10.30 am (AEDST). It should be read in conjunction with the Notice to which this Explanatory Memorandum is enclosed and forms part of.

The Directors of the Company recommend that Shareholders read this document carefully and in its entirety before making any decision in relation to the proposed resolutions.

The following matters should be noted in relation to the resolutions set out in the attached Notice.

### **Ordinary Business**

**A.** The *Corporations Act 2001 (Cth)* requires that the Company's annual report, financial statements, director's report and auditor's report (**Reports**) be laid before the Annual General Meeting. This is an opportunity for the Members to consider the Reports but no approval of the Reports is required.

### **B. Resolution 1 – Re-election of Director**

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Mr Guoxiang Ma is retiring in accordance with the Constitution of the Company and being eligible, offers himself for re-election. Mr Ma has been a Director of the Company since 8 June 2004.

Mr Ma is the founding Chairman of Shanghai Xiang Jiang Industrial Co Ltd, since 1994. Shanghai Xiang Jiang Industrial Co Ltd has been involved in property development and the building sector since inception.

Mr Ma is also Chairman of Sunshine Energy (Aust.) Pty Ltd, an investor in EnviroMission, which will form an important link in the development of Solar Tower power stations in China.

### **C. Resolution 2 – (Non Binding) Adoption of Remuneration Report**

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The Company is required to include in its Directors report a detailed remuneration report relating to Directors' and Executives remuneration. Section 300A of the Corporations Act sets out the information to be included in the remuneration report. A copy of the report appears on pages 5, 6 and 7 of the Company's Annual Report.

Section 250R(2) of the Corporations Act requires a resolution that the remuneration report be adopted and be put to a vote of Shareholders at the Company's Annual General Meeting. The vote on this resolution is advisory to the Company only and does not bind the board of the Company.

Under section 250SA of the Corporations Act, Shareholders must be given a reasonable opportunity to ask questions about, or make comments on, the report. This is in addition to any questions or comments that Shareholders may have in relation to the management of the Company.

## **Special Business**

### **1. Resolution 3 - Ratification of Issue of Shares and Granting of Options to Draffin Walker Pty Ltd (Less than 15% of Capital)**

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#### **Background**

On 22 February 2010, Draffin Walker Pty Ltd made an investment of A\$44,000 in the Company in consideration for the Company issuing and allotting to Draffin Walker Pty Ltd a number of shares in the Company (**Shares**) and granting of options to subscribe for Shares on the following terms:

- 880,000 Shares the total price for which amounted to A\$44,000 based on the closing price of the Shares on the previous trading day as quoted on the Australian Securities Exchange (**ASX**); and
- 440,000 options to subscribe for Shares on a one for one basis, with an exercise price of A\$0.10 (10 cents) for each Share, exercisable at any time after the date of issue (which shall not be more than one calendar month after the date of the Meeting) and on or prior to 1 February 2011. The terms and conditions in respect of the exercise price and the granting of these options are set out in further detail in Annexure 1.

#### **Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 3 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot Shares to Draffin Walker Pty Ltd.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the Shares and options to subscribe for Shares, the Shareholders are provided with the following information in respect of resolution 3:

- (a) The Shares rank equally in all respects with all other ordinary Shares in the Company on issue; and

- (b) The Shares and options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.

**2. Resolution 4 - Ratification of Issue of Shares and Granting of Options to 530 Collins St Pty Ltd (Less than 15% of Capital)**

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**Background**

On 22 February 2010, 530 Collins St Pty Ltd made an investment of A\$50,000 in the Company in consideration for the Company issuing and allotting to 530 Collins St Pty Ltd a number of Shares and granting of options to subscribe for Shares on the following terms:

- 1,000,000 Shares the total price for which amounted to A\$50,000 based on the closing price of the Shares on the previous trading day as quoted on the ASX; and
- 500,000 options to subscribe for Shares on a one for one basis, with an exercise price of A\$0.10 (10 cents) for each Share, exercisable at any time after the date of issue (which shall not be more than one calendar month after the date of the Meeting) and on or prior to 1 February 2011. The terms and conditions in respect of the exercise price and the granting of these options are set out in further detail in Annexure 1.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 4 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot Shares to 530 Collins St Pty Ltd.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the Shares and options to subscribe for Shares, the Shareholders are provided with the following information in respect of resolution 4:

- (a) The Shares rank equally in all respects with all other ordinary Shares in the Company on issue; and

- (b) The Shares and options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.

**3. Resolution 5 - Ratification of Issue of Shares and Granting of Options to Andelou Pty Ltd (Less than 15% of Capital)**

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**Background**

On 16 April 2010, Andelou Pty Ltd made an investment of A\$100,000 in the Company in consideration for the Company issuing and allotting to Andelou Pty Ltd a number of Shares and granting of options to subscribe for Shares on the following terms:

- 2,325,581 Shares the total price for which amounted to A\$100,000 based on the closing price of the Shares on the previous trading day as quoted on the ASX; and
- 1,162,790 options to subscribe for Shares on a one for one basis, with an exercise price of A\$0.086 (8.6 cents) for each Share, exercisable at any time after the date of issue (which shall not be more than one calendar month after the date of the Meeting) and on or prior to 1 February 2011. The terms and conditions in respect of the exercise price and the granting of these options are set out in further detail in Annexure 1.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 5 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot Shares to Andelou Pty Ltd.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the Shares and options to subscribe for Shares, the Shareholders are provided with the following information in respect of resolution 5:

- (a) The Shares rank equally in all respects with all other ordinary Shares in the Company on issue; and

- (b) The Shares and options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.

**4. Resolution 6 - Ratification of Issue of Shares and Granting of Options to Justin Tremayne Sterley (Less than 15% of Capital)**

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**Background**

On 20 May 2010, Justin Tremayne Sterley made an investment of A\$10,000 in the Company in consideration for the Company issuing and allotting to Justin Tremayne Sterley a number of Shares and granting of options to subscribe for Shares on the following terms:

- 250,000 Shares the total price for which amounted to A\$10,000 based on the closing price of the Shares on the previous trading day as quoted on the ASX; and
- 125,000 options to subscribe for Shares on a one for one basis, with an exercise price of A\$0.08 (8 cents) for each Share, exercisable at any time after the date of issue (which shall not be more than one calendar month after the date of the Meeting) and on or prior to 1 February 2011. The terms and conditions in respect of the exercise price and the granting of these options are set out in further detail in Annexure 1.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 6 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot Shares to Justin Tremayne Sterley.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the Shares and options to subscribe for Shares, the Shareholders are provided with the following information in respect of resolution 6:

- (a) The Shares rank equally in all respects with all other ordinary Shares in the Company on issue; and

(b) The Shares and options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.

**5. Resolution 7 - Ratification of Issue of Shares and Granting of Options to Hiroyasu Aoki (Less than 15% of Capital)**

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**Background**

On 20 May 2010, Hiroyasu Aoki made an investment of A\$10,000 in the Company in consideration for the Company issuing and allotting to Hiroyasu Aoki a number of Shares and granting of options to subscribe for Shares in the Company on the following terms:

- 250,000 Shares the total price for which amounted to A\$10,000 based on the closing price of the Shares on the previous trading day as quoted on the ASX; and
- 125,000 options to subscribe for Shares on a one for one basis, with an exercise price of A\$0.08 (8 cents) for each Share, exercisable at any time after the date of issue (which shall not be more than one calendar month after the date of the Meeting) and on or prior to 1 February 2011. The terms and conditions in respect of the exercise price and the granting of these options are set out in further detail in Annexure 1.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 7 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot Shares to Hiroyasu Aoki.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the Shares and options to subscribe for Shares, the Shareholders are provided with the following information in respect of resolution 7:

- (a) The Shares rank equally in all respects with all other ordinary Shares in the Company on issue; and

- (b) The Shares and options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.

**6. Resolution 8 - Ratification of Issue of Shares and Granting of Options to The Harding Superannuation Fund (Less than 15% of Capital)**

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**Background**

On 20 May 2010, the Harding Superannuation Fund made an investment of A\$100,000 in the Company in consideration for the Company issuing and allotting to The Harding Superannuation Fund a number of Shares and granting of options to subscribe for Shares in the Company on the following terms:

- 2,500,000 Shares the total price for which amounted to A\$100,000 based on the closing price of the Shares on the previous trading day as quoted on the ASX; and
- 1,250,000 options to subscribe for Shares on a one for one basis, with an exercise price of A\$0.08 (8 cents) for each Share, exercisable at any time after the date of issue (which shall not be more than one calendar month after the date of the Meeting) and on or prior to 1 February 2011. The terms and conditions in respect of the exercise price and the granting of these options are set out in further detail in Annexure 1.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under Listing Rule 7.1. Resolution 8 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot Shares to The Harding Superannuation Fund.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the Shares and options to subscribe for Shares, the Shareholders are provided with the following information in respect of resolution 8:

- (a) The Shares rank equally in all respects with all other ordinary Shares in the Company on issue; and

(b) The Shares and options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.

**7. Resolution 9 - Ratification of Granting of Options to Robert Zabors (Less than 15% of Capital)**

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**Background**

On 15 June 2009, Robert Zabors made an investment of A\$185,253.80 in the Company in consideration for the Company granting Robert Zabors 2,058,376 options to subscribe for Shares.

On 14 September 2009, Robert Zabors made an investment of A\$56,123.02 in the Company in consideration for the Company granting Robert Zabors 623,589 options to subscribe for Shares.

The options prescribed above were granted on the terms and conditions as set out in Annexure 1, on a one for one basis, with an exercise price of A\$0.09 (9 cents) for each Share, exercisable at any time after the date of issue and prior to 1 February 2011.

The Notice to the Company's 2009 Annual General Meeting (**AGM**) included resolutions for Shareholders to approve and ratify the allotment and issuance of Shares to Robert Zabors but did not include resolutions for Shareholders to approve and ratify the granting of the options referred to above to Robert Zabors. This is notwithstanding the explanatory memorandum to the 2009 AGM clearly detailing the granting of the options to subscribe for Shares to Robert Zabors.

This resolution now seeks to rectify this oversight by notifying Shareholders and seeking their approval and ratification of the granting of the options mentioned in this resolution to Robert Zabors.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 9 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of

ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to Robert Zabors.



In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.

**8. Resolution 10 - Ratification of Granting of Options to Gary Nathanson (Less than 15% of Capital)**

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**Background**

On 12 March 2009, Gary Nathanson made an investment of A\$25,000 in the Company in consideration for the Company issuing and allotting to Gary Nathanson 859,416 options to subscribe for Shares.

The options to subscribe for Shares were granted on the terms and conditions as set out in Annexure 1, on a one for one basis, with an exercise price of A\$0.09 cents for each Share, exercisable at any time after the date of issue and prior to 1 February 2011.

The Notice to the Company's 2009 AGM included resolutions for Shareholders to approve and ratify the issuance of Shares to Gary Nathanson but did not include resolutions for Shareholders to approve and ratify the granting of options referred to above to Gary Nathanson. This is notwithstanding the explanatory memorandum to the 2009 AGM clearly detailed the granting of options to subscribe for Shares to Gary Nathanson.

This resolution now seeks to rectify this oversight by notifying Shareholders and seeking their approval and ratification of the granting of the options to subscribe for Shares mentioned in this resolution to Gary Nathanson.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 10 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to Gary Nathanson.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares

were issued by the Company to repay loan funds and provide capital to fund future operations.

**9. Resolution 11 - Ratification of Granting of Options to Julie Ann Wrigley 1999 Revocable Trust (Less than 15% of Capital)**

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**Background**

On 11 May 2009, the Julie Ann Wrigley 1999 Revocable Trust made an investment of A\$131,273.14 in the Company in consideration for the Company granting to the Julie Ann Wrigley 1999 Revocable Trust 1,426,882 options to subscribe for Shares.

The options to subscribe for Shares were granted on the terms and conditions as set out in Annexure 1, on a one for one basis, with an exercise price of A\$0.092 (9.2 cents) for each Share, exercisable at any time after the date of issue and prior to 1 February 2011.

The Notice to the Company's 2009 AGM included resolutions for Shareholders to approve and ratify the issuance of Shares to the Julie Ann Wrigley 1999 Revocable Trust but did not include resolutions for Shareholders to approve and ratify the granting of the options referred to above to the Julie Ann Wrigley 1999 Revocable Trust. This is notwithstanding the explanatory memorandum to the 2009 AGM clearly detailed the granting of the options to subscribe for Shares to the Julie Ann Wrigley 1999 Revocable Trust.

This resolution now seeks to rectify this oversight by notifying Shareholders and seeking their approval and ratification of the granting of the options to mentioned in this resolution to the Julie Ann Wrigley 1999 Revocable Trust.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 11 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to Julie Ann Wrigley 1999 Revocable Trust.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares

were issued by the Company to repay loan funds and provide capital to fund future operations.

**10. Resolution 12 - Ratification of Granting of Options to MAG Capital Investment Fund 11 LLC (Less than 15% of Capital)**

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**Background**

On 12 August 2009, MAG Capital Investment Fund 11 LLC made an investment of A\$41,549.82 in the Company in consideration for the Company granting MAG Capital Investment Fund 11 LLC 494,641 options to subscribe for Shares.

The options to subscribe for Shares were granted on the terms and conditions as set out in Annexure 1, on a one for one basis, with an exercise price of A\$0.084 (8.4 cents) for each Share, exercisable at any time after the date of issue and prior to 1 February 2011.

The Notice to the Company's 2009 AGM included resolutions for Shareholders to approve and ratify the issuance of Shares to MAG Capital Investment Fund 11 LLC but did not include resolutions for Shareholders to approve and ratify the granting of options referred to above to MAG Capital Investment Fund 11 LLC. This is notwithstanding the explanatory memorandum to the 2009 AGM clearly detailing the granting of the options to subscribe for Shares to MAG Capital Investment Fund 11 LLC.

This resolution now seeks to rectify this oversight by notifying Shareholders and seeking their approval and ratification of the granting of the options mentioned in this resolution to MAG Capital Investment Fund 11 LLC.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 12 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to MAG Capital Investment Fund 11 LLC.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares

were issued by the Company to repay loan funds and provide capital to fund future operations.

**11. Resolution 13 - Ratification of Granting of Options to Sunshine Yuma LLC (Less than 15% of Capital)**

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**Background**

On 29 September 2009, Sunshine Yuma LLC made an investment of A\$34,543.94 in the Company in consideration for the Company granting Sunshine Yuma LLC 359,830 options to subscribe for Shares.

The options to subscribe for Shares were granted on the terms and conditions as set out in Annexure 1, on a one for one basis, with an exercise price of A\$0.096 (9.6 cents) for each Share, exercisable at any time after the date of issue and prior to 1 February 2011.

The Notice to the Company's 2009 AGM included resolutions for Shareholders to approve and ratify the issuance of Shares to Sunshine Yuma LLC but did not include resolutions for Shareholders to approve and ratify the granting of the options referred to above to Sunshine Yuma LLC. This is notwithstanding the explanatory memorandum to the 2009 AGM clearly detailed the issuance of the options to subscribe for Shares to Sunshine Yuma LLC.

This resolution now seeks to rectify this oversight by notifying Shareholders and seeking their approval and ratification of the granting of the options mentioned in this resolution to Sunshine Yuma LLC.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 13 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to Sunshine Yuma LLC.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.

**12. Resolution 14 - Ratification of Granting of Options to Ronald Derek Dellow & Suzanne Lois Dellow (Less than 15% of Capital)**

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**Background**

On 14 October 2009, Ronald Derek Dellow and Suzanne Lois Dellow made an investment of A\$40,000 in the Company in consideration for the Company granting Ronald Derek Dellow and Suzanne Lois Dellow 363,636 options to subscribe for Shares.

The options to subscribe for Shares were granted on the terms and conditions as set out in Annexure 1, on a one for one basis, with an exercise price of A\$0.11 (11 cents) for each Share, exercisable at any time after the date of issue and prior to 1 February 2011.

The Notice to the Company's 2009 AGM included resolutions for Shareholders to approve and ratify the issuance of Shares to Ronald Derek Dellow and Suzanne Lois Dellow but did not include resolutions for Shareholders to approve and ratify the granting of the options referred to above to Ronald Derek Dellow and Suzanne Lois Dellow. This is notwithstanding the explanatory memorandum to the 2009 AGM clearly detailed the issuance of the options to subscribe for Shares to Ronald Derek Dellow and Suzanne Lois Dellow.

This resolution now seeks to rectify this oversight by notifying Shareholders and seeking their approval and ratification of the granting of the options mentioned in this resolution to Ronald Derek Dellow and Suzanne Lois Dellow.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 14 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to Ronald Derek Dellow and Suzanne Lois Dellow.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.

**13. Resolution 15 - Ratification of Granting of Options to Steven Andrew Dellow (Less than 15% of Capital)**

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**Background**

On 14 October 2009, Steven Andrew Dellow made an investment of A\$30,000 in the Company in consideration for the Company granting Steven Andrew Dellow 272,727 options to subscribe for Shares.

The options to subscribe for Shares were granted on the terms and conditions as set out in Annexure 1, on a one for one basis, with an exercise price of A\$0.11 (11 cents) for each Share, exercisable at any time after the date of issue and prior to 1 February 2011.

The Notice to the Company's 2009 AGM included resolutions for Shareholders to approve and ratify the issuance of Shares to Steven Andrew Dellow but did not include resolutions for Shareholders to approve and ratify the issuance of options referred to above to Steven Andrew Dellow. This is notwithstanding the explanatory memorandum to the 2009 AGM clearly detailed the issuance of the options to subscribe for Shares to Steven Andrew Dellow.

This resolution now seeks to rectify this oversight by notifying Shareholders and seeking their approval and ratification of the granting of the options mentioned in this resolution to Steven Andrew Dellow.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 15 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to Ronald Derek Dellow and Suzanne Lois Dellow.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.

**14. Resolution 16 - Ratification of Granting of Options to Sherryn Louise Dellow (Less than 15% of Capital)**

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**Background**

On 14 October 2009, Sherryn Louise Dellow made an investment of A\$30,000 in the Company in consideration for the Company granting Sherryn Louise Dellow 272,727 options to subscribe for Shares.

The options to subscribe for Shares were granted on the terms and conditions as set out in Annexure 1, on a one for one basis, with an exercise price of A\$0.11 (11 cents) for each Share, exercisable at any time after the date of issue and prior to 1 February 2011.

The Notice to the Company's 2009 AGM included resolutions for Shareholders to approve and ratify the issuance of Shares to Sherryn Louise Dellow but did not include resolutions for Shareholders to approve and ratify the granting of options referred to above to Sherryn Louise Dellow. This is notwithstanding the explanatory memorandum to the 2009 AGM clearly detailed the granting of the options to subscribe for Shares to Sherryn Louise Dellow.

This resolution now seeks to rectify this oversight by notifying Shareholders and seeking their approval and ratification of the issuance and allotment of the options to subscribe for Shares mentioned in this resolution to Sherryn Louise Dellow.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 16 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to Sherryn Louise Dellow.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.

**15. Resolution 17 - Ratification of Granting of Options to Christopher King (Less than 15% of Capital)**

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**Background**

On 14 October 2009, Christopher King made an investment of A\$10,659.80 in the Company in consideration for the Company granting Christopher King 96,910 options to subscribe for Shares.

The options to subscribe for Shares were granted on the terms and conditions as set out in Annexure 1, on a one for one basis, with an exercise price of A\$0.11 (11 cents) for each Share, exercisable at any time after the date of issue and prior to 1 February 2011.

The Notice to the Company's 2009 AGM included resolutions for Shareholders to approve and ratify the issuance of Shares to Christopher King but did not include resolutions for Shareholders to approve and ratify the granting of options referred to above to Christopher King. This is notwithstanding the explanatory memorandum to the 2009 AGM clearly detailed the granting of the options to subscribe for Shares to Christopher King.

This resolution now seeks to rectify this oversight by notifying Shareholders and seeking their approval and ratification of the granting of the options to subscribe for Shares to Christopher King.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 17 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to Christopher King.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.



**16. Resolution 18 - Ratification of Granting of Options to Veracity Analytics Ventures LLC (Less than 15% of Capital)**

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**Background**

On 20 October 2009, Veracity Analytics Ventures LLC made an investment of A\$79,665.19 in the Company in consideration for the Company granting Veracity Analytics Ventures LLC 736,640 options to subscribe for Shares.

The options to subscribe for Shares were granted on the terms and conditions as set out in Annexure 1, on a one for one basis, with an exercise price of A\$0.108 (10.8 cents) for each Share, exercisable at any time after the date of issue and prior to 1 February 2011.

The Notice to the Company's 2009 AGM included resolutions for Shareholders to approve and ratify the issuance of the Shares to Veracity Analytics Ventures LLC but did not include resolutions for Shareholders to approve and ratify the granting of options referred to above to Veracity Analytics Ventures LLC. This is notwithstanding the explanatory memorandum to the 2009 AGM clearly detailed the granting of options to subscribe for Shares to Veracity Analytics Ventures LLC.

This resolution now seeks to rectify this oversight by notifying Shareholders and seeking their approval and ratification of the granting of the options to subscribe for Shares mentioned in this resolution to Veracity Analytics Ventures LLC.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 18 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to Veracity Analytics Ventures LLC.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.

**17. Resolution 19 - Ratification of Granting of Options to Eugene Tripp Jr. (Less than 15% of Capital)**

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**Background**

On 26 October 2009, Eugene Tripp Jr. made an investment of A\$23,000 in the Company in consideration for the Company granting Eugene Tripp Jr. 230,000 options to subscribe for Shares.

The options to subscribe for Shares were granted on the terms and conditions as set out in Annexure 1, on a one for one basis, with an exercise price of A\$0.10 (10 cents) for each Share, exercisable at any time after the date of issue and prior to 1 February 2011.

The Notice to the Company's 2009 AGM included resolutions for Shareholders to approve and ratify the issuance of Shares to Eugene Tripp Jr. but did not include resolutions for Shareholders to approve and ratify the issuance of the options referred to above to Eugene Tripp Jr. This is notwithstanding the explanatory memorandum to the 2009 AGM clearly detailed the granting of the options to subscribe for Shares to Eugene Tripp Jr.

This resolution now seeks to rectify this oversight by notifying Shareholders and seeking their approval and ratification of the granting of the options to subscribe for Shares to Eugene Tripp Jr.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 19 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to Eugene Tripp Jr.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.

**18. Resolution 20 - Ratification of Prior Issue of Options to Andelou Pty Ltd (Less than 15% of Capital)**

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**Background**

On 26 October 2009, Andelou Pty Ltd made an investment of A\$200,000 in the Company in consideration for the Company granting Andelou Pty Ltd 2,000,000 options to subscribe for Shares.

The options to subscribe for Shares were granted on the terms and conditions as set out in Annexure 1, on a one for one basis, with an exercise price of A\$0.10 (10 cents) for each Share, exercisable at any time after the date of issue and prior to 1 February 2011.

The Notice to the Company's 2009 AGM included resolutions for Shareholders to approve and ratify the issuance of Shares to Andelou Pty Ltd but did not include resolutions for Shareholders to approve and ratify the granting of the options referred to above to Andelou Pty Ltd. This is notwithstanding the explanatory memorandum to the 2009 AGM clearly detailed the granting of the options to subscribe for Shares to Andelou Pty Ltd.

This resolution now seeks to rectify this oversight by notifying Shareholders and seeking their approval and ratification of the granting of the options to subscribe for Shares to Andelou Pty Ltd.

**Listing Rule 7.4**

ASX Listing Rule 7.4 permits a listed company to subsequently approve an issue of securities made without approval under ASX Listing Rule 7.1. Resolution 20 has been included in the Notice to preserve the Company's ability to issue further Shares or options to subscribe for Shares (if necessary) under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

ASX Listing Rule 7.4 states that an issue of securities made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 (i.e. was within 15% limit) and Shareholders subsequently approved it.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to Eugene Tripp Jr.

In accordance with ASX Listing Rule 7.5 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares were issued by the Company to repay loan funds and provide capital to fund future operations.

**19. Resolution 21 - Approval of Share Option Plan**

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At the annual general meeting of the Company held on 29 November 2005, the Shareholders approved an employee share option plan (**Share Option Plan**) in accordance with Listing Rule 7.2 Exception 9 and section 260C(4) of the Corporations Act.

The Company is now proposing to issue options under the Share Option Plan pursuant to resolutions 22, 23 and 24 below, subject to the approval of the Shareholders.

Since more than three years have elapsed since the Share Option Plan was originally approved by Shareholders, the Company now seeks renewed approval of the Share Option Plan. The terms of the Share Option Plan are unchanged since the original approval was given, and a summary of the terms of the Share Option Plan is annexed to this Notice of Annual General Meeting and marked Annexure 2.

As at the date of this Explanatory Memorandum, no Options have been granted pursuant to the Plan.

**20. Resolution 22 - Granting of Options to Key Personnel (Subject to Share Option Plan)**

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**Background**

Subject to resolution 21 being duly approved, the Directors seek approval to grant the issue of 7,500,000 options to subscribe for Shares exercisable at A\$0.20 (20 cents) on or before 15 September 2014 to the Key Personnel referred to below, under the terms and conditions of the Company's Share Option Plan.

<b>Name</b>	<b>No. of options</b>	<b>Exercise price</b>	<b>Expiry date</b>
Kim Forte	4,000,000	20 cents	September 15 2014
Christopher J Davey	3,000,000	20 cents	September 15 2014
Andrew Forte	500,000	20 cents	September 15 2014

**Listing Rules 7.1 and 7.3**

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to the Key Personnel.

In accordance with ASX Listing Rule 7.3 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares

are issued by the Company to repay loan funds and provide capital to fund future operations.

Each of the directors of the Company, who do not have an interest in the outcome of the proposed resolution, recommends that the Shareholders approve this resolution.

The terms and conditions of these allotments are set out in the in Annexure 3.

**21. Resolution 23 - Granting of Options to Roger C Davey (Subject to Share Option Plan)**

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**Background**

Subject to resolution 21 being duly approved, the Directors seek approval to grant the issue of 7,500,000 options to subscribe for Shares exercisable at A\$0.20 (20 cents) on or before 15 September 2014 to Roger C Davey, under the terms and conditions of the Company's Share Option Plan.

**Listing Rule 7.1**

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to Roger C Davey.

In accordance with ASX Listing Rule 7.3 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares are issued by the Company to repay loan funds and provide capital to fund future operations.

**Listing Rule 10.14 and Chapter 2E of the Corporations Act**

Listing Rule 10.14 provides that a listed company must not issue equity securities to a related party under an employee incentive scheme without the approval of members of the Company.

Similarly, Chapter 2E of the Corporations Act prohibits a company, subject to certain exceptions, from giving a financial benefit to a related party of the Company without prior shareholder approval. Roger C Davey is a related party for the purposes of Listing Rule 10.14 and Chapter 2E of the Corporations Act. The issue and allotment of options to subscribe for Shares to Roger C Davey amounts to the giving of a financial benefit to a related party.

Accordingly, the Company seeks approval from the Shareholders to issue and allot the options to subscribe for Shares to Roger C Davey.

ASX Listing Rule 10.15A sets out the information which must be provided in a notice of meeting for the purpose of obtaining the approval of the members to an acquisition of shares to which ASX Listing Rule 10.14 applies. The information is set out below.

For the purposes of ASX Listing Rule 10.15A, the following information is provided:

- (a) If the person is not a director, a statement of the relationship between the person and the director that requires the approval to be obtained:

Roger C Davey is a director.

- (b) The maximum number of securities that may be acquired by all persons for whom approval is required, including the formula (if one is used) for calculating the number of securities to be issued:

In the event that members approve the grant of Options to Roger C Davey in this resolution, the maximum number of securities that may be issued is 7,500,000.

- (c) The price (including a statement whether the price will be, or be based on, the market price), or the formula for calculating the price, for each security to be acquired under the scheme:

The price for each security to be issued to Roger C Davey is A\$0.20 (20 cents).

- (d) The names of all persons referred to in rule 10.14 who received securities under the scheme since the last approval, the number of securities received and the acquisition price for each security:

No person referred to in rule 10.14 has received any securities since the last approval.

- (e) The names of all persons referred to in rule 10.14 entitled to participate in the scheme:

Roger C Davey and David Galbally QC.

- (f) A voting exclusion statement:

The voting exclusion statement is contained in the Notice.

- (g) The terms of any loan in relation to the acquisition:

Not applicable.

- (h) A disclosure and entitlement statement:

Details of any securities issued under the Options Plan will be published in each annual report of the entity relating to a period in which the securities have been issued, and that if applicable, approval for the issue of securities was obtained under ASX Listing Rule 10.14.

- (i) The date by which the entity will issue the securities, which must be no later than 3 years after the meeting:

The Options to subscribe for Shares will be issued to Roger C Davey by no later than 29 November 2011.

Roger C Davey in his capacity as a director of the Company, does not wish to make a recommendation to Shareholders about the proposed resolution 23 because he has a

personal interest in the outcome of this resolution by virtue of the fact that he will personally receive the options to subscribe for Shares which are the subject of this resolution.

Each of the remaining directors of the Company, who do not have an interest in the outcome of the proposed resolution, recommends that the Shareholders approve this resolution.

The terms and conditions of these allotments are set out in the in Annexure 3.

**22. Resolution 24 - Granting of Options to David Galbally QC (Subject to Share Option Plan)**

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**Background**

Subject to resolution 21 being duly approved, the Directors seek approval to grant the issue of 4,000,000 options to subscribe for Shares exercisable at A\$0.20 (20 cents) on or before 15 September 2014 to David Galbally QC, under the terms and conditions of the Company's Share Option Plan.

**Listing Rule 7.1**

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to David Galbally QC.

In accordance with ASX Listing Rule 7.3 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares are issued by the Company to repay loan funds and provide capital to fund future operations.

**Listing Rule 10.14 and Chapter 2E of the Corporations Act**

Listing Rule 10.14 provides that a listed company must not issue equity securities to a related party under an employee incentive scheme without the approval of members of the Company.

Similarly, Chapter 2E of the Corporations Act prohibits a company, subject to certain exceptions, from giving a financial benefit to a related party of the Company without prior shareholder approval. David Galbally QC is a related party for the purposes of Listing Rule 10.14 and Chapter 2E of the Corporations Act. The issue and allotment of options to subscribe for Shares to David Galbally QC amounts to the giving of a financial benefit to a related party.

Accordingly, the Company seeks approval from the Shareholders to issue and allot the options to subscribe for Shares to David Galbally QC.

ASX Listing Rule 10.15A sets out the information which must be provided in a notice of meeting for the purpose of obtaining the approval of the members to an acquisition of shares to which ASX Listing Rule 10.14 applies. The information is set out below.

For the purposes of ASX Listing Rule 10.15A, the following information is provided:

- (a) If the person is not a director, a statement of the relationship between the person and the director that requires the approval to be obtained:

David Galbally QC is a director.

- (b) The maximum number of securities that may be acquired by all persons for whom approval is required, including the formula (if one is used) for calculating the number of securities to be issued:

In the event that members approve the grant of Options to David Galbally QC in this resolution, the maximum number of securities that may be issued is 4,000,000.

- (c) The price (including a statement whether the price will be, or be based on, the market price), or the formula for calculating the price, for each security to be acquired under the scheme:

The price for each security to be issued to David Galbally QC is A\$0.20 (20 cents).

- (d) The names of all persons referred to in rule 10.14 who received securities under the scheme since the last approval, the number of securities received and the acquisition price for each security:

No person referred to in rule 10.14 has received any securities since the last approval.

- (e) The names of all persons referred to in rule 10.14 entitled to participate in the scheme:

David Galbally QC and Roger C Davey.

- (f) A voting exclusion statement:

The voting exclusion statement is contained in the Notice.

- (g) The terms of any loan in relation to the acquisition:

Not applicable.

- (h) A disclosure and entitlement statement:

Details of any securities issued under the Options Plan will be published in each annual report of the entity relating to a period in which the securities have been issued, and that if applicable, approval for the issue of securities was obtained under ASX Listing Rule 10.14.

- (i) The date by which the entity will issue the securities, which must be no later than 3 years after the meeting:



The Options to subscribe for Shares will be issued to David Galbally QC by no later than 29 November 2011.

David Galbally QC in his capacity as a director of the Company, does not wish to make a recommendation to Shareholders about the proposed resolution 24 because he has a personal interest in the outcome of this resolution by virtue of the fact that he will personally receive the options to subscribe for Shares which are the subject of this resolution.

Each of the remaining directors of the Company, who do not have an interest in the outcome of the proposed resolution, recommends that the Shareholders approve this resolution.

The terms and conditions of these allotments are set out in the in Annexure 3.

**23. Resolution 25 – Granting of Remuneration Options to Key Personnel (Remuneration Options)**

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**Background**

As part of the remuneration package offered by the Company, the Directors seek approval to grant the issuance of 22,000,000 options to subscribe for Shares at an exercise price of A\$0.10 (10 cents) to Key Personnel listed below (or their nominees) with exercisable on or before 15 September 2014.

<b>Name</b>	<b>No. of Options</b>	<b>Exercise price</b>	<b>Expiry date</b>
Kim Forte	8,000,000	10 cents	September 15 2014
Christopher J Davey	8,000,000	10 cents	September 15 2014
Andrew Forte	500,000	10 cents	September 15 2014
Douglas Fant	1,750,000	10 cents	September 15 2014
Lee Tanner	1,750,000	10 cents	September 15 2014
David Rosenberg	2,000,000	10 cents	September 15 2014

**Listing Rules 7.1 and 7.3**

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to the Key Personnel.

In accordance with ASX Listing Rule 7.3 and to enable the Shareholders to approve the issue and allotment of the options to subscribe for Shares, the options to subscribe for Shares, the Shareholders are provided with the following information in respect of resolution 25:

- (a) The Company will issue all of the options referable to Resolution 25 as soon as practicable after the Shareholders approve Resolution 25, which will be no later than one month after the date of this Meeting; and
- (b) The proceeds from the issue and allotment of options to subscribe for Shares will be applied by the Company to repay loan funds and provide capital to fund future operations.

Each of the directors of the Company, who do not have an interest in the outcome of the proposed Resolution, recommends that the Shareholders approve this Resolution.

The terms and conditions of these allotments are set out in Annexure 3.

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**24. Resolution 26 – Granting of Remuneration Options to Roger C Davey (Remuneration Options)**

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**Background**

As part of the remuneration package offered by the Company, the Directors seek approval to grant the issuance of 10,000,000 options to subscribe for Shares at an exercise price of A\$0.10 (10 cents) to Roger C Davey (or his nominees) exercisable on or before 15 September 2014.

**Listing Rules 7.1 and 7.3**

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period where the total number of equity securities to be issued exceeds 15% of the total number of fully paid ordinary securities on issue 12 months before the date of issue, except where an exception applies or with prior approval of members of the Company in a general meeting of the terms and conditions of the proposed issue.

Accordingly, the Company seeks approval from the Shareholders to issue and allot options to subscribe for Shares to Roger C Davey.

In accordance with ASX Listing Rule 7.3 and to enable the Shareholders to approve the issue of the options to subscribe for Shares, the options to subscribe for Shares are issued by the Company to repay loan funds and provide capital to fund future operations.

**Listing Rule 10.11 and Chapter 2E of the Corporations Act**

Listing Rule 10.11 provides that a listed company must not issue equity securities to a related party without the approval of members of the Company.

Similarly, Chapter 2E of the Corporations Act prohibits a company, subject to certain exceptions, from giving a financial benefit to a related party of the Company without prior shareholder approval. Roger C Davey is a related party for the purposes of Listing Rule 10.11 and Chapter 2E of the Corporations Act. The issue and allotment of

options to subscribe for Shares to Roger C Davey amounts to the giving of a financial benefit to a related party.

Accordingly, the Company seeks approval from the Shareholders to issue and allot the options to subscribe for Shares to Roger C Davey.

In accordance with Listing Rule 10.13 and to enable the Shareholders to approve the issue and allotment of options to subscribe for Shares to Roger C Davey, the Shareholders are provided with the following information in respect of resolution 26:

- (a) The Company will issue and allot all of the options referable to Resolution 26 as soon as practicable after the Shareholders approve Resolution 26, which will be no later than one month after the date of this Meeting; and
- (b) The proceeds from the allotment and issue of options to subscribe for Shares will be applied to the working capital requirements of the Company.

Roger C Davey in his capacity as a director of the Company, does not wish to make a recommendation to Shareholders about the proposed Resolution 26 because he has a personal interest in the outcome of this Resolution by virtue of the fact that he will personally receive the options to subscribe for Shares which are the subject of this Resolution.

Each of the remaining directors of the Company, who do not have an interest in the outcome of the proposed Resolution, recommends that the Shareholders approve this Resolution.

The terms and conditions of these allotments are set out in Annexure 3.

**Important Note:**

**This Notice of Meeting and Explanatory Memorandum should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.**

**Annexure 1**

**Terms and Conditions of Options (Resolutions 3-20)**

The options to subscribe for Shares (**Options**) entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Any capitalised term in this Terms and Conditions that is not defined has the same meaning as in the Explanatory Memorandum to this Notice of Extraordinary Meeting.
- (b) Each Option gives the Option holder the right to subscribe for one Share. To obtain the right given by each Option, the Option holder must exercise the Options in accordance with the terms and conditions of the Options.
- (c) The Options will expire at 5:00 pm (AEST) on 1 February 2011 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options (**Exercise Notice**) specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the exercise price for the number of Options being exercised.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the exercise price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the exercise price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options are not transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

- (l) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 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.
  
- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

## **Annexure 2**

### **Share Option Plan (Resolution 21)**

#### **Introduction**

- 1.1 The Company proposes to refresh approval of its employee share option plan. This employee option plan is known as the '**EnviroMission Limited Share Option Plan**' and was originally approved by Shareholders on 29 November 2005. This employee share option plan will be referred to as the '**Plan**' throughout this Annexure.
- 1.2 The Plan is intended to provide employees and directors of:
- 1.2.1 EnviroMission Limited (**the Company**), and
  - 1.2.2 any related body corporate of the Company (**the EnviroMission Group**)
- as well as any other persons or entities selected by the Board of Directors of the Company, with the opportunity to be granted Options to subscribe for and be allotted ordinary fully paid shares in the Company in accordance with the Plan Rules.
- 1.3 The Company's rationale for the introduction of the Plan is both commercial and incentive based. The Plan is intended as an aid for the Company (and the EnviroMission Group) to attract and retain good people, encourage productivity, enhance Loyalty, reward employees for service, provide an incentive for future performance and encourage a relationship of inclusion and common purpose. The effect of employee share ownership is 'participation' in the objectives and broader management of the Company, essentially through voting rights, receipt of reports and other information.
- 1.4 The adoption of the Plan is subject to the approval of the Shareholders. Therefore the Company is now seeking, at this Annual Meeting, the Shareholders' approval to adopt the Plan.

#### **Interpretation**

- 1.5 In this Explanatory Memorandum terms that are defined in the Plan Rules have the same meaning (unless otherwise defined).
- 1.6 Any references to plan rule numbers in this Explanatory Memorandum are references to that numbered rule in the Plan Rules.

#### **Eligible Persons**

- 1.7 Subject to the Shareholders approving the Plan, the following individuals may, in accordance with the Plan Rules, be provided with the opportunity to acquire options to subscribe for and be allotted fully paid ordinary shares in the capital of the Company (**Options**):
- 1.7.1 employees of the Company or any other company in the EnviroMission Group
  - 1.7.2 persons who are directors of the Company or any other company in the EnviroMission Group, and

- 1.7.3 other persons selected by the Board of Directors.
- 1.8 These individuals are referred to as 'Eligible Persons' in the Plan Rules and in this Explanatory Memorandum.
- 1.9 Subject to Board approval, the Plan Rules also allow an Eligible Person to elect that Options offered to that Eligible Person be issued to:
  - 1.9.1 a spouse (including a de facto spouse), parent, child, brother or sister (**Close Relative**) of the Eligible Person, or
  - 1.9.2 a body corporate to which the Eligible Person or a Close Relative of the Eligible Person has a controlling interest.

### **Options Offer**

- 1.10 Once the Shareholders have approved the Plan the Board may, in its absolute discretion and without being bound to do so, make an Options Offer to an Eligible Person in accordance with the Plan Rules.
- 1.11 It should be noted that Options will be issued for no consideration but while the grant of the Option is free, there may be tax payable by the Eligible Person in respect of the value which is given to the Option. Tax will be a matter with which the Eligible Person must deal.

### **Acceptance of Options Offer**

- 1.12 An Eligible Person may accept an Options Offer in whole or in part. Acceptance is made by signing and delivering a completed Acceptance Form together with payment of the price of the Options (if any) no later than the date specified for acceptance in the Options Offer. If acceptance is not made by the relevant date the Options Offer will lapse. Provided the Options Offer is accepted in accordance with the Plan Rules, the Company will issue the Options to the Eligible Person and the Eligible Person will be deemed to have agreed to be bound by the terms and conditions of the Options Offer and the Plan.

### **Limit to size of Plan**

- 1.13 An Options Offer cannot be made without the approval of the ordinary Shareholders of the Company if upon acceptance of the Options Offer:
  - 1.13.1 the number of Options issued under the Plan, together with the number of Outstanding Options (as defined in the Plan Rules) would exceed 10% of the number of Shares in issue in the Company, or
  - 1.13.2 the number of Options granted to a Participant (as defined in the Plan Rules) under this Plan, together with the number of Outstanding Options of that Participant would, if exercised, result in the issue of a number of shares to that Participant exceeding 5% of the issued capital of the Company following the exercise, or
  - 1.13.3 the number of Options granted to a Participant under the Plan, together with the number of Outstanding Options of that Participant would, if exercised, result in the Participant and/or the Participant's Related Party being in a

position to cast, or control the casting of, more than 5% of the maximum number of votes that might be cast at a general meeting of the company.

- 1.14 In addition to these limits imposed by the Plan Rules, the Board may, at the time Options are granted, wish to take advantage of conditional relief from the disclosure provisions of the Corporations Act. This conditional relief may also impact upon the number of Options that the Board decides to grant pursuant to the Plan.
- 1.15 As at the date of this Explanatory Memorandum, the Australian Securities and Investments Commission (**ASIC**) provides conditional relief from disclosure provisions of the Corporations Act for certain offers involving shares made to full time or part-time employees under an employee option scheme. This relief is only granted provided certain conditions are met. One of these conditions restricts the number of options that can be granted. In such circumstances, the calculation formula applied by ASIC to determine the number of Options that can be granted by an entity is complicated, technical and dependent on a number of different factors. Therefore the Company advises Shareholders that if the Board decides to take advantage of this conditional relief from the disclosure provisions of the Corporations Act, the Company will need to comply with any restriction of the number of Options that ASIC conditionally imposes.

### **Restrictions on Options**

- 1.16 A Participant must not sell, assign, transfer, mortgage, charge or encumber or otherwise deal with the Options except as permitted by the Plan Rules. Please refer to Plan Rule 8. It should be noted that the Options will not be quoted on the Australian Stock Exchange (**ASX**).

### **Lapse of Options**

- 1.17 Options will lapse on the earlier of:
- 1.17.1 the expiration of the Exercise Period, provided that the latest time to exercise the Options cannot be later than five years from the date of issue of the Option
  - 1.17.2 if the employment, directorship or contract of the Participant terminates, the expiration of 28 days after the date of termination
  - 1.17.3 the date the Participant breaches any obligations under the Plan Rules
  - 1.17.4 the date the Company goes into Insolvency Administration (as defined in the Plan Rules), or
  - 1.17.5 in accordance with any terms of the Options.

### **Exercise of Options**

- 1.18 An Option may only be exercised if it has not yet lapsed (refer to 1.17 above). An Option can only be exercised in accordance with Plan Rule 10 and subject to the conditions of issue of the Option. The Plan Rules state that, exercising Options may be restricted during certain periods.
- 1.19 In the event of a takeover, the Options of the Participant will become immediately exercisable irrespective of whether the Exercise Period has commenced.



- 1.20 Subject to the Plan Rules, if the employment or directorship or contract of a Participant terminates, the Participant may, or their legal representative (depending upon the circumstance of the termination), within twenty eight (28) days after the date of termination exercise all or part of the Options. Any Option not exercised within twenty eight (28) days shall lapse.
- 1.21 At the time of the Options Offer, the Exercise Price will be specified. The Exercise Price is the sum of money payable to the Company to exercise the Option and acquire any Shares the subject of the Option.

#### **Shares allotted on exercise of Options**

- 1.22 If Options are exercised and Shares are allotted, the Company will issue such documents required by the Corporations Act, Listing Plan Rules and other applicable laws.
- 1.23 The shares allotted on the exercise of the Options will be credited as fully paid and rank equally in all respects with existing fully paid Shares from the Exercise Date of the Options and will be entitled to those dividends which have a record date for determining entitlements on or after the Exercise Date.

#### **Overriding Restrictions on issue and Exercise**

- 1.24 Despite any Plan Rule or the terms and conditions of any Option, no Option may be offered, issued or exercised if to do so would contravene the Corporations Act, the Listing Plan Rules or any other applicable law.

#### **New issues**

- 1.25 A Participant cannot participate in any new issues (including bonus issues) without first exercising the Option. Bonus issues and pro-rata issues of Shares can only be made in accordance with the Plan Rules.
- 1.26 Except as set out in the Plan Rules, the Options do not confer on the Participants any additional interest in capital of the Company or any additional right to distribution of the income of the Company.

#### **Reorganisation of Capital**

- 1.27 In the event of a reorganisation of the issued Capital of the Company, the Options shall be reorganised in a manner considered appropriate by the Board and in accordance with the Plan Rules and the ASX Listing Rules.

#### **Loans to Participants on Exercise of Options**

- 1.28 The Board may offer a Participant a Loan (as defined in the Plan Rules) from the Company (or a company in the EnviroMission Group) for the purposes of funding in whole or in part the subscription by the Participant for the Shares to be issued on the Exercise of the Options.
- 1.29 The terms and conditions of any Loan will be determined by the Board in its absolute discretion.

### **Administration of the Plan**

- 1.30 The Plan will be administered by the Board in accordance with the Plan Rules and any subsequent Plan Rules the Board makes for the operation of the Plan which are consistent with these Plan Rules.
- 1.31 The Board must act in the interests of or for the benefit of the Company in exercising its powers and discretions under the Plan Rules. However, any power or discretion conferred on the Board by the Plan Rules can be delegated to a committee and in exercising their powers of discretion, the Board may rely upon independent or expert advice.
- 1.32 Any decision of the Board as to any factual matter or interpretation or application of the Plan Rules is final and binding in the absence of any manifest error.
- 1.33 The Board may terminate or suspend the Plan at any time provided it will not prejudice the existing rights of Participants.

### **Rights of Participants**

- 1.34 Except as expressly provided in the Plan Rules, nothing in the Plan Rules nor any accepted Options Offer:
- 1.34.1 confers on any person or a Participant the right to receive any Options or Loan
  - 1.34.2 forms part of any contract of employment, consultancy or retainer, or affects the conditions of employment or directorship of any Participant
  - 1.34.3 confers on any person or a Participant the right to continue as an Employee or a Director of the Company or any company in the EnviroMission Group
  - 1.34.4 affects any rights which the Company or a subsidiary may have to terminate the employment of any Employee or the office of any Director
  - 1.34.5 may be used to increase damages in any action brought against the Company or a subsidiary in respect of any such termination
  - 1.34.6 confers on any person any expectation of becoming a Participant
  - 1.34.7 save where the Participant holds Loan Shares (in which case this paragraph does not apply), a Participant will be sent notices of general meetings, reports and accounts to be laid before ordinary shareholders of the Company in a general meeting, but will not have any right to vote or attend at general meetings of the Company, or
  - 1.34.8 confers any legal or equitable right whatsoever on an Eligible Person or a Participant whether on termination of employment or directorship or otherwise.

### **Amendment of the Plan Rules**

- 1.35 The Company may at any time, in accordance with the Plan Rules, by written instrument or resolution of the Board, amend any or all of the provisions of the Plan Rules.

### **Stamp duty**

- 1.36 Stamp duty payable in respect of any documents executed in connection with this Plan is payable by the Participant unless the Company agrees otherwise.

### **Advice**

- 1.37 Eligible Persons and Participants will be responsible for obtaining their own independent advice at their own expense on the financial, taxation and other consequences to them of or relating to the participation in this Plan.

### **Application of Listing Rule requirements Listing Rule 7.2 Exemption 9**

- 1.38 As set out in earlier sections of this Explanatory Memorandum, Listing Rule 7.1 imposes a limit on the number of securities that can be issued by a company without prior Shareholder approval. However, Listing Rule 7.2 provides certain exceptions to this 15% threshold limit. Subject to any other requirements of the Listing Rules applicable at the time of issue, Exemption 9 of Listing Rule 7.2 allows an issue under an Employee Incentive Scheme to not be restricted by the 15% threshold limit provided that if within three (3) years before the date of the issue holders of ordinary securities approved the issue of securities under the Plan as an exception to Listing Rule 7.2. Accordingly in order to comply with Listing Rule 7.2 and to not be restricted by the 15% threshold limit, the Company seeks Shareholder approval of the issue of securities under the Plan as an exception to Listing Rule 7.2.

### **Application of Part 2J.3 of the Corporations Act**

- 1.39 Pursuant to section 260A of the Corporations Act, a company may only financially assist a person to acquire shares in the company in limited circumstances.
- 1.40 Section 260C(4) provides special exemption from section 260A if it is given under an employee share scheme that has been approved by a resolution passed at a general meeting of the company.
- 1.41 Accordingly the Company seeks the Shareholders approval for the adoption of the EnviroMission Share Option Plan to satisfy the requirements of section 260C(4).

**Annexure 3**

**Terms and Conditions of Options (Resolutions 22 to 26)**

The options to subscribe for Shares (**Options**) entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Option holder the right to subscribe for one Share. To obtain the right given by each Option, the Option holder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5:00 pm (AEST) on September 15 2014 (**Expiry Date**) as prescribed.
- (c) Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The amount payable upon exercise of each Option will be A\$0.20 (**Exercise Price**).
- (e) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (f) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Options (**Exercise Notice**) specifying the number of Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercise.
- (g) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (h) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (i) The Options are not transferable.
- (j) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (k) The Company will not apply for quotation of the Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

- (m) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 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.
  
- (n) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

**PROXY FORM**

The Company Secretary  
EnviroMission Limited  
Ground Floor, 3 Raglan Street  
SOUTH MELBOURNE VIC. 3205  
Facsimile Transmission No. +61 3 9699 7566

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member/(s) of EnviroMission Limited hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing him/or \_\_\_\_\_  
of \_\_\_\_\_  
or failing him/her the Chairman 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 Morgans, 401 Collins Street, Melbourne, on 29 November 2010, at 10.30am (AEDST) and at any adjournment thereof in the manner indicated below or, in the absence of indication, as the Chairman thinks fit.

A Shareholder is entitled to appoint up to 2 proxies. If 2 proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is [ ] % of the Shareholder's votes (an additional Proxy Form will be supplied by EnviroMission on request).

**INSTRUCTIONS AS TO VOTING ON RESOLUTIONS**

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a Resolution, the proxy may abstain or vote at the proxy's discretion.

I/We direct my/our proxy to vote as indicated below:

RESOLUTION	FOR	AGAINST	ABSTAIN
1 Re-election of Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Adoption of Remuneration Report (Non Binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of Issue of Shares and Granting of Options to Draffin Walker Pty Ltd (less than 15% of capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of Issue of Shares and Granting of Options to 530 Collins St Pty Ltd (less than 15% of capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of Issue of Shares and Granting of Options to Andelou Pty Ltd (less than 15% of capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of Issue of Shares and Granting of Options to Justin Tremayne Sterley (less than 15% of capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Ratification of Issue of Shares and Granting of Options to Hiroyasu Aoki (less than 15% of capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Ratification of Issue of Shares and Granting of Options to The Harding Superannuation Fund (less than 15% of capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Ratification of granting of Options to Robert Zabors (less than 15% of capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Ratification of granting of Options to Gary Nathanson (less than 15% of capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Ratification of granting of Options to Julie Anne Wrigley 1999 Revocable Trust (less than 15% of capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Ratification of granting of Options to MAG Capital Investment Fund 11 LLC (less than 15% of capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13 Ratification of granting of Options to Sunshine Yuma LLC (less than 15% of capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14 Ratification of granting of Options to Ronald Derek Dellow & Suzanne Lois Dellow (less than 15% of capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15 Ratification of granting of Options to Steven Andrew Dellow (less than 15% of capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16 Ratification of granting of Options to Sherryn Louise Dellow (less than 15% of capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17 Ratification of granting of Options to Christopher King (less than 15% capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18 Ratification of granting of Options to Veracity Analytics Ventures LLC (less than 15% capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19 Ratification of granting of Options to Eugene Tripp Jr. (less than 15% capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20 Ratification of prior Issue of Options to Andelou Pty Ltd (less than 15% capital)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21 Approval of Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22 Granting of Options to Key Personnel (Subject to Share Option Plan)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

... continued over page

23	Granting of Options to Roger C Davey (Subject to Share Option Plan)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24	Granting of Options to David Galbally QC (Subject to Share Option Plan)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25	Granting of Options to Key Personnel (Remuneration Options)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26	Ratification of Granting of Options to Roger C Davey (Remuneration Options)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Proxies given by a natural person must be signed by each appointing Shareholder or the Shareholder's attorney duly authorised in writing. Proxies given by companies must be executed in accordance with section 127 of the Corporations Act or signed by the appointer's attorney duly authorised in writing.

The Chairman intends to vote all undirected proxies in favour of all Resolutions.

If the Chairman of the 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 a resolution, please place a mark in the box (i.e. ).

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/s and that votes cast by the Chairman of the meeting for those resolutions 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 Chairman 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.

As witness my/our hand/s this                      day of                      2010.

**If a natural person:**

SIGNED by:

_____ Signature	_____ Signature (if joint holder)
_____ Print Name in full	_____ Print Name in full

**If a company:**

EXECUTED in accordance with section 127 )  
of the Corporations Act: )

_____ Signature of Director	_____ Signature of Director / Secretary
_____ Print Name in full	_____ Name of Director / Secretary in full

**If by power of attorney:**

SIGNED for and on behalf )  
of )  
by )  
Power of Attorney dated                      under a )  
and who )  
declares that he/she has not received any )  
revocation of such Power of Attorney in the )  
presence of: )

_____ Signature of Attorney	_____ Signature of Witness
	_____ Name of Witness in full

**PROXY INSTRUCTIONS**

Shareholders are entitled to appoint up to two individuals to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or another authority) must be deposited at or sent by facsimile transmission to the registered office of EnviroMission Limited at Ground Floor, 3 Raglan Street, South Melbourne, Victoria 3205, facsimile number **+61 3 9699 7566** not less than 48 hours before the time for holding the Annual General Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the Shareholder or his/or attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a Shareholder of the Company.

In the case of Shares jointly held by two or more persons, all joint holders must sign the proxy form.

#### **VOTING ENTITLEMENT**

For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons, who are registered as holding the Shares at 5pm on Friday, 26 November, 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.