



Resources Ltd  
ABN 50 009 058 646

**Notice of General Meeting,  
Explanatory Statement  
and Proxy Form**

FOR A GENERAL MEETING OF  
AuDAX RESOURCES LTD  
TO BE HELD IN THE SUTHERLAND ROOM AT CITY WEST RECEPTION CENTRE  
45 PLAISTOWE MEWS WEST PERTH, WESTERN AUSTRALIA  
THURSDAY 3 JUNE 2010  
COMMENCING AT 10:00 AM (WST)

Suite 6, 2<sup>nd</sup> Floor 11 Ventnor Ave, West Perth, Western Australia 6005  
PO Box 913 West Perth, Western Australia 6872  
Telephone: (08) 9226 2822 Fax: (08) 9226 5333  
Email: [audax@iinet.com.au](mailto:audax@iinet.com.au)  
Website: [www.audax.com.au](http://www.audax.com.au)

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# NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Shareholders of AuDAX Resources Ltd will be held in The Sutherland Room, City West Reception Centre, 45 Plaistowe Mews, West Perth, Western Australia on Thursday 3 June 2010 commencing at 10:00 am (WST), to consider and, if thought fit, to pass the following resolution:

## AGENDA

### 1. Change of Name

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

*"That, for the purpose of Section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to ADX Energy Ltd."*

### 2. Grant of Options to Dr Wolfgang Zimmer.

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

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to allot and grant 6,000,000 Options to Dr Wolfgang Zimmer (or his nominee), on and subject to the terms and conditions set out in the Explanatory Statement which accompanies this Notice of Meeting."*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by Dr Wolfgang Zimmer (or his nominee) and any associates of Dr Zimmer. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### 3. Grant of Options to Mr Ian Tchacos

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

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to allot and grant 6,000,000 Options to Mr Ian Tchacos (or his nominee), on and subject to the terms and conditions set out in the Explanatory Statement which accompanies this Notice of Meeting."*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by Mr Ian Tchacos (or his nominee) and any associates of Mr Tchacos. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### 4. Grant of Options to Mr Paul Fink

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

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to allot and grant 3,600,000 Options to Mr Paul Fink (or his nominee), on and subject to the terms and conditions set out in the Explanatory Statement which accompanies this Notice of Meeting."*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by Mr Paul Fink (or his nominee) and any associates of Mr Fink. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### 5. Grant of Options to Mr Andrew Childs

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

*"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to allot and grant 3,600,000 Options to Mr Andrew Childs (or his nominee), on and subject to the terms and conditions set out in the Explanatory Statement which accompanies this Notice of Meeting."*

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by Mr Andrew Childs (or his nominee) and any associates of Mr Childs. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in

accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## 6. General

To transact any other business as may be brought before the meeting in accordance with the Constitution of the Company, the Corporations Act, or otherwise.

**BY ORDER OF THE BOARD**



**P R Ironside**  
Company Secretary

4 May 2010  
Perth, Western Australia

## Notes

1. A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder.
2. The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting or those who are registered Shareholders of the Company at 5.00 pm (WST) on 1 June 2010.
3. Capitalised terms have the meaning given to them in the Glossary.

## How to Vote

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

## Voting in Person

To vote in person, attend the General Meeting on the date and at the place set out above. The General Meeting will commence at 10.00 am (WST).

## Voting by Proxy

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

- return the proxy form (by post) to AuDAX Resources Ltd, PO Box 913, West Perth, WA 6872 or (by delivery) to Suite 6, 2<sup>nd</sup> Floor, 11 Ventnor Avenue, West Perth WA 6005; or
- send the proxy form by facsimile to the Company on facsimile number (08) 9226 5333 (International: + 61 8 9226 5333).

To be effective, a completed proxy form must be received by no later than 10.00 am (WST) on 1 June 2010.

Where the proxy form is executed under power of attorney, the power of attorney must be lodged in like manner as the proxy.

**Your proxy form is enclosed.**

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held in The Sutherland Room, City West Reception Centre 45 Plaistowe Mews, West Perth, Western Australia on Thursday 3 June 2010 at 10.00am (WST). This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Meeting, please contact the Company, your stockbroker or other professional adviser.

### RESOLUTION 1 – CHANGE OF NAME

Resolution 1 seeks Shareholder approval to change the name of the Company to ADX Energy Ltd. The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

The adoption of the new name under Resolution 1 is to be approved by a special resolution of Shareholders under Section 157(1) of the Corporations Act. The change of name will take effect on the day it is approved by ASIC.

### RESOLUTIONS 2, 3, 4 AND 5 – GRANT OF OPTIONS TO DIRECTORS

#### Background and Experience of the Directors

##### **Dr Wolfgang Zimmer**

Dr Wolfgang Zimmer was appointed Managing Director of the Company on 10 December 2007.

Dr Zimmer is based in Vienna and has over 27 years' experience in the oil and gas industry. He worked with Mobil for 11 years, primarily in central Europe and with OMV, the Austrian national oil company for over 14 years, fulfilling a variety of management roles. He established OMV's business in Australia and was its Managing Director for 5 years. He was also formerly the CEO of Grove Energy, a Canadian and UK listed oil and gas company.

Dr Zimmer has significant experience in Tunisia, having been a Director of OMV's operations in Tunisia and Sfax for over 3 years. Grove Energy also had significant operations in that country. He has assembled a team which has particular expertise and experience in both Romania and Tunisia and AuDAX looks forward to leveraging Dr Zimmer's managerial experience and international contacts.

##### **Mr Ian Tchacos**

Mr Ian Tchacos was appointed Non-Executive Chairman on 2 March 2010.

Mr Tchacos is based in Perth and is an oil and gas professional with over 25 years' international experience in corporate development and strategy, mergers and acquisitions, petroleum exploration, development and production operations, commercial negotiation, oil and gas marketing and energy finance. He has a proven management track record in a range of international oil company environments.

In his last appointment as Managing Director of Nexus Energy he was responsible for this company's development from an onshore micro cap explorer to an ASX top 200 offshore producer and operator. Mr Tchacos' experience is ideally suited for the company's next phase of growth.

##### **Mr Paul Fink**

Mr Paul Fink was appointed Technical Director on 22 February 2008.

Mr Paul Fink is based in Vienna and has 18 years of petroleum exploration and production industry experience in technical and management positions.

Mr Fink is a graduate from the Mining University of Leoben, Austria. He started his career as a processing geophysicist and then worked predominantly on international exploration and development projects and assignments in Austria, Libya, Bulgaria, UK, Australia and finally in Pakistan as Exploration and Reservoir Manager for OMV.

In 2005 he started his own petroleum consultancy business, which also allowed him to work on projects in Romania. Most recently he was working as the acting Vice President (Exploration) for Focus Energy, leading their highly successful exploration campaign in India, which included two discoveries, reserves certification, field development planning and successful petroleum licence bidding.

##### **Mr Andrew Childs**

Mr Andrew Childs was appointed a Non-Executive Director on 11 November 2009.

Mr Childs is based in Perth and is Managing Director of Petroleum Ventures Pty Ltd, Chairman of Australian Oil Company Ltd and Non Executive Director of Jupiter Energy Ltd, Stratic Energy Corporation, Grove Energy Ltd, Orion Energy Pty Ltd and Bombora Energy Ltd.

## Shareholder Approval

Shareholder approval for the grant of the Options the subject of Resolutions 2 to 5 is sought for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11. These provisions relate to the giving of financial benefits to related parties of a Company.

### Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act provides that for a public company to give a financial benefit to a related party of the public company, the public company must:

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

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

The grant of Options constitutes a "financial benefit" as defined in the Corporations Act. Further, a director of a public company is a "related party" of the public company as defined in the Corporations Act. Accordingly, the proposed grant of Options to Messrs Zimmer, Tchacos, Fink and Childs will constitute the provision of a financial benefit to a related party of the Company.

One of the nominated exceptions is where the financial benefit constitutes reasonable remuneration given to the relevant person as an officer or employee of the company. While the Directors consider that the grant of the Options constitutes the giving of a reasonable benefit for past and future services, and is therefore in the nature of remuneration, given that it is proposed that Options be issued to non-executive and executive Directors, the Directors consider it prudent to obtain Shareholder approval for the proposed grant of Options.

### ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies. It is the view of the Company that the exceptions in ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Options to Messrs Zimmer, Tchacos, Fink and Childs for the purposes of ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Options to the Directors as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Options to the Directors will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

### Information Requirements

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of the options:

- (a) the related parties are Messrs Zimmer, Tchacos, Fink and Childs and they are related parties by virtue of being Directors of the Company;
- (b) the maximum number of Options (being the nature of the financial benefit being provided) to be granted to the Directors, and the vesting date, exercise price and expiry date of those Options, is as follows:

Director	Number of Options	Vesting Date	Exercise Price	Expiry Date
Dr Wolfgang Zimmer (or nominee)	6,000,000	1 May 2012	\$0.25	31 December 2012
Mr Ian Tchacos (or nominee)	6,000,000	1 May 2012	\$0.25	31 December 2012
Mr Paul Fink (or nominee)	3,600,000	1 May 2012	\$0.25	31 December 2012
Mr Andrew Childs (or nominee)	3,600,000	1 May 2012	\$0.25	31 December 2012

- (c) the Options will be issued on the terms and conditions set out above and in Schedule 1 to this Explanatory Statement;

- (d) the Options will be granted no later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Options will be granted on one date;
- (e) the Options will be granted for nil cash consideration, accordingly no funds will be raised. Any funds raised from the exercise of the Options will be used for the Company's general working capital requirements;
- (f) the value of the Options and the pricing methodology has been provided by BDO Kendalls. The exercise price and the exercise date for the Options is shown below together with the estimated valuation based on the Black-Scholes option pricing model as calculated by BDO Kendalls:

Director	Number of Options	Exercise Price	Expiry Date	Value per Option	Total Value of Options
Dr Wolfgang Zimmer (or nominee)	6,000,000	\$0.25	31 December 2012	\$0.14	\$840,000
Mr Ian Tchacos (or nominee)	6,000,000	\$0.25	31 December 2012	\$0.14	\$840,000
Mr Paul Fink (or nominee)	3,600,000	\$0.25	31 December 2012	\$0.14	\$504,000
Mr Andrew Childs (or nominee)	3,600,000	\$0.25	31 December 2012	\$0.14	\$504,000

Assumptions made to determine the value of these Options are an underlying share price of \$0.205 (based on the closing price of Shares on the ASX as at 28 April 2010), an effective life for the Options of 2.6 years, a volatility level of 125% and a risk free interest rate (Commonwealth Government two-year bond rate) of 5.28% pa;

- (g) the total remuneration and emoluments (excluding share based payments) from the Company to the Directors for both the current financial year and the previous financial year are set out below:

Director	Current Financial Year (9 months to 31 March 2010)	Previous Financial Year (12 months to 30 June 2009)
Dr Wolfgang Zimmer	\$221,250	\$295,070
Mr Ian Tchacos	-	-
Mr Paul Fink	\$187,500	\$250,106
Mr Andrew Childs	\$15,487	-

- (h) the effect of the grant of the Options pursuant to Resolutions 2 to 5 on the capital structure of the Company is as follows:

	Shares*	Listed options	Unlisted options
Existing securities on issue as at the date of this Notice	289,230,386	-	15,450,000
Number of Options to be granted	-	-	19,200,000
Total securities after Options granted	289,230,386	-	34,650,000

The Shares on issue will increase with the exercise of these Options which will have a dilutive effect on the Shares held by each Shareholder as follows:

Director	Number of Shares issued on exercise of Options	Dilution Effect*
Dr Wolfgang Zimmer (or nominee)	6,000,000	2.03%
Mr Ian Tchacos (or nominee)	6,000,000	2.03%

Mr Paul Fink (or nominee)	3,600,000	1.23%
Mr Andrew Childs (or nominee)	3,600,000	1.23%

\*Based on the Company's current issued share capital of 289,230,386 Shares.

- (i) the relevant interests of the Directors in Shares and Options in the Company are set out below (excluding the proposed grant of Options pursuant to Resolutions 2-5):

Director	Number of Shares (Relevant Interest)	Number of Options (Relevant Interest)	Option Expiry Date	Option Exercise Price
Dr Wolfgang Zimmer	7,942,655	1,500,000	22 April 2011	\$0.35
		1,500,000	22 April 2012	\$0.40
Mr Ian Tchacos	2,350,000	Nil	-	-
Mr Paul Fink	1,900,000	1,050,000	22 April 2011	\$0.35
		1,050,000	22 April 2012	\$0.40
Mr Andrew Childs	9,244,326	1,050,000	22 April 2011	\$0.35
		1,050,000	22 April 2012	\$0.40

- (j) the market price for Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at the time any of the Options are exercised, the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company. Other than as set out in this Explanatory Statement, it is not considered that from an economic and commercial point of view there are any costs and detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company resulting from the grant of these Options. Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass Resolutions 2 to 5;
- (k) over the last 12 months the lowest recorded price of the Company's shares in SEATS trading on ASX was \$0.073 on 30 April 2009 and the highest was \$0.215 on 27 April 2010.
- At the close of trading on 3 May 2010, the last day of trading prior to the lodgement of the Notice of Meeting, the Share price was \$0.19.
- (l) the purpose of the proposed grant of Options pursuant to Resolutions 2 to 5, is Director retention and to provide the Directors with incentive to generate Shareholder value, as well as recognising contributions to the Company, whilst enabling the Company to preserve its cash reserves. The Board believes that the future success of the Company will depend in large measure on the skills and motivation of the people engaged in and overseeing the management of the Company's operations. It is therefore important the Company is able to attract and retain people of the highest calibre. The Board considers that the most appropriate means of achieving this is to provide the Directors with the opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth;
- (m) the grant of Options to the Directors is consistent with the Company's adopted Corporate Governance Principles. The Company's adopted Corporate Governance Principle #9 "Remunerate Fairly and Responsibly" aims to:
- motivate Directors and management to pursue the long-term growth and success of the Company within an appropriate control framework; and
  - demonstrate a clear relationship between key executive performance and remuneration.

Further, non-executive director remuneration includes an incentive portion as considered appropriate by the Board and in this instance the Board has resolved to grant Options to Mr Tchacos and Mr Childs, who are non-executive directors of the Company.

The Board acknowledges that the Company's policy of including an incentive component to non-executive director remuneration through the grant of Options is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations which provides that non-executive directors should be remunerated by fees and not by way of options and bonus payments. However, the Board considers that the incentive portion is targeted to add to Shareholder value by the Options having an exercise price greater than the market price of the Shares at the time of granting the Options. This will ensure that Shareholder value is increased prior to any benefit accruing to the non-executive director;

- (n) those Directors who have no interest in the outcome of Resolution 2 (namely Mr Ian Tchacos, Mr Paul Fink and Mr Andrew Childs), recommend that Shareholders vote in favour of Resolution 2 on the basis that the Options to be granted provide Dr Zimmer with an appropriate performance incentive, a retention incentive and recognise his contribution to the Company's success. Mr Tchacos, Mr Fink and Mr Childs considered the role that Dr Zimmer will perform in the Company when considering the number and exercise price of the Options to be granted to Dr Zimmer. Dr Zimmer declines to make a recommendation in relation to this resolution as he has a direct personal interest in its outcome;
- (o) those Directors who have no interest in the outcome of Resolution 3 (namely Dr Wolfgang Zimmer, Mr Paul Fink and Mr Andrew Childs), recommend that Shareholders vote in favour of Resolution 3 on the basis that the Options to be granted provide Mr Ian Tchacos with an appropriate performance incentive, a retention incentive and recognition that his skills and experience are ideally suited for the company's next phase of growth. Dr Zimmer, Mr Fink and Mr Childs considered the role that Mr Tchacos will perform in the Company when considering the number and exercise price of the Options to be granted to Mr Tchacos. Mr Tchacos declines to make a recommendation in relation to this resolution as he has a direct personal interest in its outcome;
- (p) those Directors who have no interest in the outcome of Resolution 4 (namely Dr Wolfgang Zimmer, Mr Ian Tchacos and Mr Andrew Childs), recommend that Shareholders vote in favour of Resolution 4 on the basis that the Options to be granted provide Mr Paul Fink with an appropriate performance incentive, a retention incentive and recognise his contributions to the Company's success. Dr Zimmer, Mr Tchacos and Mr Childs considered the role that Mr Fink will perform in the Company when considering the number and exercise price of the Options to be granted to Mr Fink. Mr Fink declines to make a recommendation in relation to this resolution as he has a direct personal interest in its outcome; and
- (q) those Directors who have no interest in the outcome of Resolution 5 (namely Dr Wolfgang Zimmer, Mr Ian Tchacos and Mr Paul Fink), recommend that Shareholders vote in favour of Resolution 5 on the basis that the Options to be granted provide Mr Andrew Childs with an appropriate performance incentive, a retention incentive and recognise his contributions to the Company's success. Dr Zimmer, Mr Tchacos and Mr Fink considered the role that Mr Childs will perform in the Company when considering the number and exercise price of the Options to be issued to Mr Childs. Mr Childs declines to make a recommendation in relation to this resolution as he has a direct personal interest in its outcome.

#### **Enquiries**

Shareholders are invited to contact the Company Secretary, Mr Peter Ironside, on (08) 9226 2822 if they have any queries in respect of the matters set out in these documents.

## GLOSSARY

**\$** means Australian dollars.

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

**ASX** means ASX Limited or the Australian Securities Exchange, as the context requires.

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

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** or **AuDAX** means AuDAX Resources Ltd (ACN 009 058 646), to be renamed ADX Energy Ltd subject to the passing of Resolution 1.

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

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

**Directors** means the directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

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

**Notice of Meeting** means this notice of general meeting including the Explanatory Statement.

**Option** means an option to acquire a Share and includes the Options proposed to be granted to the Directors pursuant to Resolutions 2-5 with the terms and conditions set out in Schedule 1.

**Optionholder** means a holder of an Option.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

**SCHEDULE 1**  
**TERMS AND CONDITIONS OF OPTIONS**  
**(RESOLUTIONS 2 TO 5)**

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5:00 pm (WST) on 31 December 2012 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**).
- (d) The Options are subject to a vesting period commencing on the date of grant and ending on 1 May 2012 (**Vesting Period**). The Optionholder shall not be permitted to exercise or deal with the Options during the Vesting Period.
- (e) Unless the Directors in their absolute discretion determine otherwise, the Options shall lapse upon the earlier of:
  - (i) close of business on the Expiry Date;
  - (ii) the expiry of 30 days after the Optionholder ceases to be a Director or consultant by any reason, other than those listed in (iii) to (v) below;
  - (iii) the expiry of one year after the Optionholder ceases to be a Director or consultant by reason of death or permanent disability;
  - (iv) the expiry of 60 days after the Optionholder ceases to be a Director or consultant of the Company by reason of retirement or redundancy; and
  - (v) a determination by the Directors that the Optionholder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or a related body corporate.
- (f) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (g) Provided the Options have not lapsed in accordance with paragraph (e) above, an Optionholder may exercise their Options by lodging with the Company, before the Expiry Date and subject to completion of the Vesting Period:
  - (i) a written notice of exercise of Options 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,(**Exercise Notice**).
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) 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.
- (j) The Options are transferable with the consent of the Board and subject to the Corporations Act and the Constitution of the Company.
- (k) All Shares allotted upon the exercise of Options will upon allotment rank *pari passu* in all respects with other Shares.
- (l) 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.
- (m) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (n) There are no participating rights or entitlements inherent in the Options and Optionholders 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 seven Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (o) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the exercise price of the Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (p) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issues of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (q) If during the Vesting Period, the Company is the subject of change of control (as defined in the Corporations Act), then the Options will automatically vest whether the Vesting Period has ended and whether they remain subject to any exercise conditions. The Optionholder will then have the following time period to exercise the Options:

- (i) other than a change of control in relation to a scheme of arrangement described below, during the period of twelve months after:
  - (A) the day on which a person's voting power in the Company increases to 30% or more (whether under a takeover bid or otherwise); or
  - (B) the day on which the Board resolves that it considers that a person who previously had not been in a position to do so, is in the position, directly or indirectly, either alone or with associates, to remove one half or more of the Directors; and
- (ii) where a compromise or arrangement between the Company and its members under Part 5.1 of the Corporations Act, which, if implemented, will result in the amalgamation of the Company with any other body corporate or one person becoming, whether directly or indirectly, legally or beneficially entitled to 50% or more of the share capital of the Company (**Scheme**), is approved by the members of the Company, the Options will be exercisable from the day on which the Company issues a notice of meeting for a meeting of members to approve the Scheme and ending on the date resolved by the Board, and if no such resolution is made, ending on the day that is 3 Business Days prior to the record date for determining entitlements to participate in the Scheme.

# GENERAL MEETING

## PROXY FORM

### APPOINTMENT OF PROXY

I/We

being a Member of AuDAX Resources Ltd entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held in The Sutherland Room, City West Reception Centre, 45 Plaistowe Mews, West Perth, Western Australia on Thursday 3 June 2010 at 10:00 am (WST) and at any adjournment thereof.

#### Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Change of Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Grant of Options to Dr Wolfgang Zimmer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Grant of Options to Mr Ian Tchacos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Grant of Options to Mr Paul Fink	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Grant of Options to Mr Andrew Childs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### IMPORTANT FOR ALL RESOLUTIONS

If the Chairman of the meeting is your proxy (or may be appointed by default) and you have not directed your proxy how to vote on any of the Resolutions above, please place a mark in this box.

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

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

By:

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

### Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
  2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
  3. A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked, the proxy may vote as they choose. Where more than one box is marked as an item, the vote will be invalid on that item.
  4. Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
    - 2 directors of the company;
    - a director and a company secretary of the company; or
    - for a proprietary company that has a sole director who is also the sole company secretary – that director.
- For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
5. Completion of a Proxy Form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.
  6. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.