

**THIS IS AN IMPORTANT DOCUMENT**

**AND REQUIRES YOUR ATTENTION**

If you are in any doubt as to how to deal with it,  
please consult your financial or other professional adviser.

**MINERAL DEPOSITS LIMITED**

**ABN 19 064 377 420**

(‘MDL’ or ‘Company’)

**NOTICE OF ANNUAL GENERAL MEETING**

**and**

**EXPLANATORY STATEMENT**

**The annual general meeting will be held:**

- at Rialto Hotel on Collins, 495 Collins Street, Melbourne 3000;
- on Tuesday, 28 November 2006 at 10.30am.

**You can vote by:**

- attending and voting at the meeting; or
- appointing someone as your proxy to attend and vote at the meeting on your behalf, by completing and returning the proxy form to MDL in the manner set out in the proxy form. The proxy form must be received by the Share Registry of MDL no later than 10.30am on 27 November 2006.



**MINERAL DEPOSITS LIMITED**  
**ABN 19 064 377 420**

**NOTICE OF ANNUAL GENERAL MEETING**

The annual general meeting of the members of **Mineral Deposits Limited** will be held:

- on Tuesday, **28 November 2006**
- at **10.30am**
- at **Rialto Hotel on Collins, 495 Collins Street, Melbourne 3000**

**1. RESOLUTIONS**

**A. Financial statements and reports**

To table the following statements and reports and provide members with the opportunity to raise any issues or ask questions generally of the directors concerning those financial statements or the business operations of the Company:

- (a) the financial report of the Company and of the consolidated entities for the year ended 30 June 2006;
- (b) the directors' report; and
- (c) independent auditor's report thereon.

**B. Ordinary resolutions**

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

**Resolution 1: Adoption of Remuneration Report**

“**THAT** the Remuneration Report for the year ended 30 June 2006 be adopted.”

**Resolution 2: Re-election of Director**

“**THAT** Mr Nicholas J. Limb, a director retiring by rotation in accordance with clause 58 of the Company's Constitution, being eligible for re-election and having signified his candidature for the office, be re-elected as a director of the Company.”

**2. VOTING ENTITLEMENT**

The Company has determined, in accordance with Regulation 7.11.37 of the *Corporations Regulations 2001*, that the Company's shares quoted on Australian Stock Exchange Limited at 7.00pm AEST on 26 November 2006 will be taken for the purpose of the annual general meeting to be held by the persons who held them at that time. Accordingly, those persons will be entitled to attend and vote (if not excluded) at the meeting.

**3. HOW TO VOTE**

Shareholders entitled to vote at the Annual General Meeting may vote by attending the Meeting in person, by attorney or proxy or, in the case of corporate shareholders, by a corporate representative.

**4. VOTING IN PERSON OR BY ATTORNEY**

Shareholders or their attorneys wishing to vote in person should attend the Meeting. Persons are asked to arrive at least 30 minutes prior to the time the Meeting is to commence, so that their shareholding may be checked against the register and their attendance recorded. Shareholders intending to attend the Meeting by attorney must ensure that they have, not later than 48 hours prior to the time the Meeting is to commence, provided the original or a certified copy of the power of attorney to the Company, in the same manner prescribed below for the giving of proxy forms to the Company.

## 5. VOTING BY PROXY

- (a) Shareholders wishing to vote by proxy must complete, sign and deliver the enclosed personalised proxy form or forms, in accordance with the instructions on the form, prior to 10.30am Melbourne time on 27 November 2006 by:
- Post in the reply paid envelope provided
  - Hand delivery to: Mineral Deposits Limited c/- Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street Abbotsford, Victoria 3067 or
  - Fax to: Mineral Deposits Limited C/- Computershare Investor Services Pty Limited on +61 3 9473 2555.
- (b) A shareholder who is entitled to vote at the meeting may appoint:
- (1) one proxy if the shareholder is only entitled to one vote; or
  - (2) one or two proxies if the shareholder is entitled to more than one vote.
- (c) If a shareholder appoints one proxy, that proxy may vote on a show of hands. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
- (d) Where the shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not do so, each proxy may exercise one-half of the votes, and any fraction of votes will be disregarded.
- (e) A proxy need not be a shareholder of the Company. In the case of joint holders, all should sign the proxy form. In the case of corporations, proxies must be executed in accordance with the Corporations Act.
- (f) To be valid, a proxy form signed under a power of attorney must be accompanied by the signed power of attorney, or a certified copy of the power of attorney.
- (g) If the abstention box on the proxy form for the item of business is marked, the proxy will be directed not to vote on a show of hands or on a poll and the relevant shares will not be counted in calculating the required majority on a poll. If no box is marked, the proxy will not have been directed as to how to vote and may therefore vote as he or she thinks fit.
- (h) If the proxy form is signed by the shareholder but does not name the proxy or proxies in whose favour it is given, or the proxy does not attend the Annual General Meeting, the chairperson of the Meeting may either act as proxy or complete the proxy by inserting the name of one or more Directors or the Company Secretary.
- (i) The chairperson of the Annual General Meeting intends to vote all undirected proxies from shareholders (who are eligible to vote in favour of the Resolutions) in favour of the Resolutions to be voted on at the Annual General Meeting. The chairperson will not vote any undirected proxies from shareholders ineligible to vote in favour of the Resolutions.
- (j) If you require an additional proxy form, the Company will supply it on request to the undersigned.

## 7. VOTING BY CORPORATE REPRESENTATIVE

Corporate shareholders wishing to vote by corporate representative should:

- (a) obtain an appointment of corporate representative form from the Registry;
- (b) complete and sign the form in accordance with the instructions on it; and
- (c) bring the completed and signed form with them to the Annual General Meeting.

**DATED** 18 October 2006

By order of the Board

  
M J S Drummond  
Company Secretary

**MINERAL DEPOSITS LIMITED**  
**ABN 19 064 377 420**

**EXPLANATORY STATEMENT**

**1. INTRODUCTION**

The purpose of this Explanatory Statement is to provide shareholders with an explanation of the business of the meeting and the Resolutions proposed to be considered at the Annual General Meeting on 28 November 2006 and to assist shareholders in determining how they wish to vote on those Resolutions. This Explanatory Statement should be read in conjunction with the Notice of Meeting and forms part of the Notice of Meeting.

**2. BUSINESS OF THE MEETING - SUMMARY**

- a. To table the financial statements of the Company for the year ended 30 June 2006 and to give the members the opportunity to raise issues and ask questions generally concerning the financial statements or business operations of the Company.
- b. To consider and vote on the following Resolutions:
  - (i) *Resolution 1 - to adopt the Remuneration Report for the year ended 30 June 2006; and*
  - (ii) *Resolution 2 - to re-elect Mr Nicholas J. Limb as a Director.*

**3. WHY THE MEETING IS BEING HELD**

**a. Financial Statements and Reports**

The Board is required to lay before the meeting the financial statements, Directors' report and independent auditor's report for the year ended 30 June 2006.

Copies of the concise financial statements and aforesaid reports are contained in the Annual Report for the year ended 30 June 2006 which will be despatched to shareholders with this Notice of Meeting on or about 23 October 2006.

A copy of each of the Annual Report, the full financial report and the auditor's report will be tabled at the meeting. Shareholders can also request additional copies of the Annual Report and/or the full financial statements by telephoning the Company Secretary, Mr Melvyn Drummond on (+61 3) 9909 7633.

The chairperson of the meeting will take shareholders' questions and comments about the management of the Company. The auditor of the Company will be available to take shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements or the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the meeting, written questions to the auditor about the content of the auditor's report or the conduct of the audit of the annual financial report to be considered at the meeting may be submitted not later than five business days before the meeting to:

The Company Secretary  
Mineral Deposits Limited  
Level 7, 530 Little Collins Street  
Melbourne Victoria 3000

Facsimile: 613 9621 1460  
E-mail: mel.drummond@mineraldeposits.com.au

Copies of any questions received will be made available at the meeting. The chairperson of the meeting will allow the auditor to answer written questions submitted to the auditor before the meeting. If the auditor has prepared a written answer to a question, the chairperson of the meeting may permit the auditor to table that written answer. A written answer tabled at the meeting will be made reasonably available to members as soon as practicable after the meeting.

Shareholders are not required to pass any resolution in relation to the financial statements and reports (other than Resolution 1 being the adoption of the Remuneration Report for the year ended 30 June 2006).

**b. Resolution 1 – Adoption of Remuneration Report for year ended 30 June 2006**

The Directors' report in the Annual Report for the year ended 30 June 2006 contains (in a separate and clearly defined section) a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Managing Director, specified executives and the non-executive Directors.

Recent amendments to the *Corporations Act 2001* require the Company to put to the vote at the annual general meeting a resolution that the Remuneration Report be adopted. The Company is also required to inform shareholders in the notice of the annual general meeting that a resolution to this effect will be put at the meeting.

Before calling for votes in relation to this resolution, the Chairman of the meeting will allow a reasonable opportunity for the members present to ask questions about, or make comments on, the Remuneration Report.

It should be noted that the vote on this resolution is advisory only and does not bind the Directors or the Company. Accordingly, the Company will not be required to alter any arrangements detailed in the Remuneration Report, should the Report not be adopted. However, notwithstanding the strict legal position, the Board has determined that it will take the outcome of the vote into consideration when considering the remuneration policy of the Company.

*The Directors make no voting recommendation to shareholders in relation to Resolution 1. All of the Directors entitled to vote on Resolution 1 intend to vote in favour of the Resolution.*

**c. Resolution 2 – Re-election of Mr Nicholas J. Limb as a Director**

Clause 58.1 of the Company's constitution provides that, at the close of each annual general meeting, one third of the Directors (or, if their number is not a multiple of three, then the number nearest to but not more than one third of the Directors) must retire from office. The Directors retire by rotation, with the Director(s) who have been the longest in office since being appointed or re-appointed being the Director(s) who must retire in any year. If two or more Directors were elected or appointed on the same day, they are required to agree among themselves or determine by lot which of them must retire. The constitution ensures that no Director is able to remain in office for longer than three years without facing re-election. Under clause 58.4, a retiring Director is entitled to offer himself for re-election as a Director at the annual general meeting which coincides with his retirement.

Mr Limb is 51 and has been a Director of the Company since it was formed in April 1994. He is currently the Executive Chairman of the Company. He is a qualified exploration geologist with extensive experience as a stockbroker and merchant banker. He is also a Director of Gravity Diamonds Limited, Cockatoo Ridge Wines Limited and Gippsland Offshore Petroleum Limited. Further details of his qualifications and experience can be found on page 42 of the Annual Report. Mr Limb will retire in accordance with the requirements of the Company's constitution at the close of the annual general meeting. As he is entitled to, and eligible for, re-election, he seeks re-election as a Director of the Company at the meeting.

*The Directors (other than Mr N. Limb) recommend that you vote in favour of Resolution 2. Mr Limb makes no recommendation to shareholders. All of the Directors entitled to vote on Resolution 2 intend to vote in favour of the Resolution.*

**4. QUERIES**

If you have any queries about the meeting, the Resolutions to be put to the meeting or the proposals being considered, please contact the Company Secretary, Mr Melvyn Drummond, on (03) 9909 7633.



