



**Austindo Resources Corporation NL**  
ACN 002 678 640

Notice of General Meeting  
And Explanatory Statement

**11.00 a.m.**  
**Friday 27 April 2007**

**Level 8 – North Tower, 459 Collins Street, Melbourne**

# Letter to Shareholders

On 5 March 2007 Austindo announced that it had agreed non-binding indicative terms in respect of a Convertible Note Facility to raise US\$20 million (with provision for oversubscriptions up to a further US\$5 million) – the proceeds of which will substantially be applied to the completion of the Cibaliung Gold Project in Indonesia.

On 9 March 2007 the Company announced that it had undertaken a Placement of 344 million ordinary fully paid shares in the Company at 1.5 cents per share to raise A\$5.16 million (“Placement”). These funds will substantially be applied to holding costs, general corporate purposes and some development costs in relation to the Cibaliung Gold Project until such time as conditions precedent in respect of the Convertible Note Facility can be satisfied and funds drawn down under that facility.

The resolutions contained in this Notice of General Meeting seek approval of certain aspects of the Placement to raise A\$5.16 million.

## **Use of Proceeds**

The total of \$5.16 million to be raised from the Placement and the Share Purchase Plan are to be applied as follows:

	A\$ million
Funding the existing creditors and holding costs associated with the development of the Cibaliung Gold Project.	0.71
Funding of ongoing general working capital including costs associated with the placement.	4.45
Total	5.16

## **The Cibaliung Gold Project**

The Cibaliung Gold Project is being developed by PT Cibaliung Sumberdaya – a joint venture company in which ARX was entitled to an 89.75% interest as at 31 December 2005 and PT Antam Tbk (“Antam”) held 10.25% interest.

Key development and production parameters for the Cibaliung Gold Project are:

- Mine life of 6 years with a production rate of 220,000 tonnes per annum with recovery of gold and silver by a conventional CIL processing plant;
- Mining will be by conventional underground cut and fill stoping with decline access;
- Annual production of approximately 70,000 ozs gold equivalent.

Development of the Cibaliung Gold Project commenced in late 2005. Substantial capital cost overruns were identified in August 2006. These costs increases were compounded by difficulties experienced in the development of the decline to access the underground ore bodies which culminated in the collapse of the decline in November 2006.

Erection of the gold processing plant is now approximately 80% complete however major works on site have been put on hold in order to conserve cash while funding arrangements for the project are finalised and the approach to the development of the decline is finalised. The Company is now developing a new mining plan to access the underground ore bodies which is expected to be finalised during the course of April 2007. Further details in respect of the new mining plan and the revised development cost and schedule will be made available at the earliest opportunity. At this stage the Company anticipates that extraction of ore may commence in the third quarter with production to

commence in the fourth quarter of this year.

The ultimate development of the Cibaliung Gold Project will see the Company achieve its stated objective of gold producer status. The Cibaliung Project will in due course become the foundation of the Company's activities in Indonesia.

### **Other Projects in Indonesia**

While the difficulties associated with the development of the Cibaliung Gold Project have been a significant disappointment the Company has had some success with its other projects in Indonesia.

#### **JAVA**

The Company has a 95% joint venture interest in the Trenggalek and Pekalongan projects in East and Central Java respectively.

#### **Trenggalek Project, East Java**

The Trenggalek KP exploration area in East Java covers 17,586 ha. Surface work at several prospects has recently been undertaken at the Trenggalek Project. Further evaluation of key prospects is to be undertaken this year subject to the granting of forestry permits which will allow access for trenching and scout diamond drilling purposes.

#### **Pekalongan Project, Central Java**

The Pekalongan KP exploration area in Central Java covers 5,618 ha. Limited fieldwork has been undertaken at the Pekalongan Project. A ground magnetic and soil geochemical survey is planned later this year to investigate prospective structures. The main prospects lay within forestry production areas and accordingly a permit is also awaited which will allow access to do more extensive trenching and plan a scout diamond drilling program if results justify it.

#### **PAPUA**

#### **Aisasjur Project - Anglo Strategic Alliance (ARX – 20%)**

The Company has a strategic alliance with the Anglo American Group to explore for large copper/gold porphyry deposits in Papua. The Company has a 20% joint venture interest in the Aisasjur Project while the Anglo American Group has the obligation to fund all exploration activities pursuant to the terms of the strategic alliance.

The Aisasjur Project covers an area of 9,486 hectares in the Kepala Burung area of Papua. Geologically, the project area lies within one of Indonesia's young Tertiary volcano- plutonic arcs and is prospective for both porphyry copper-gold and epithermal gold mineralisation styles.

A 4000 m drilling program was undertaken in the December 2006 quarter and in the early part of this year to test for porphyry targets. Results have not yet been compiled or reported, however preliminary assay results appear encouraging.

I encourage you to attend this General Meeting if you have the opportunity to do so and commend the resolutions to be put to this meeting to you.



**Chairman**  
**22 March 2007**

# Notice of General Meeting

NOTICE is hereby given that a general meeting of shareholders of Austindo Resources Corporation NL (“the Company”) will be held at

**11.00 am** (Melbourne time) on **Friday 27 April 2007**  
at **Level 8 – North Tower, 459 Collins Street, Melbourne.**

## BUSINESS

### **Resolution 1: Approval post-issue of shares – 15%**

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

“That approval is given for the issue of 193,110,648 fully paid ordinary shares in the capital of the Company which was made on or about 16 March 2007 at an issue price of 1.5 cents per share, such approval being for the purposes of Listing Rules 7.4 of Australian Securities Exchange and for all other purposes.”

#### **Voting restrictions on Resolution 1**

The Company will disregard any votes cast on Resolution 1 by:

- any of the persons who participated in the issue of shares identified in Resolution 1; and
- an associate of any of those persons.

However, the Company need not disregard a vote if:

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

### **Resolution 2: Approval of share placements to unrelated parties**

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

“That approval is given, under Australian Securities Exchange Listing Rule 7.1 and for all other purposes, for the Company to issue up to 147,589,353 ordinary fully paid shares in the capital of the Company at an issue price of 1.5 cents per share (other than to related parties of the Company) by way of placements for the purposes and otherwise on the terms and conditions as set out in the Explanatory Statement which accompanies this Notice of General Meeting.”

#### **Voting restrictions on Resolution 2**

The Company will disregard any votes cast on Resolution 2 by:

- a person who may participate in the proposed issue of shares; and
- a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares in the Company, if Resolution 2 is passed; and
- an associate of any of those persons.

However, the Company need not disregard a vote if:

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

### **Resolution 3: Approval of share placements to related parties**

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

“That, subject to the prior approval of Resolution 2, approval is given under Australian Stock Exchange Listing Rule 10.11 and for all other purposes, for the Company to issue to the related party of the Company specified below the number of fully paid ordinary shares in the capital of the Company specified below, each at an issue price of 1.5 cents per share:

<b>Related party</b>	<b>Number of shares</b>
Bruce J. Watson	3,333,333

such shares to be issued to that related party by no later than one month after the date of this meeting.”

Note: If approval is given in Resolution 3 under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

#### **Voting restrictions on Resolution 3**

The Company will disregard any votes cast on Resolution 3 by:

- Mr. Bruce J. Watson; and
- an associate of Mr. Bruce J. Watson.

However, the Company need not disregard a vote if:

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

By order of the board



**Andrew J Cooke**  
**Company Secretary**

Dated: 22 March 2007

## **VOTING BY PROXY**

- (a) (right to appoint): Each shareholder has the right to appoint a proxy to attend and vote for the shareholder at this meeting.
- (b) (two proxies): To enable a shareholder to divide their voting rights, a shareholder may appoint 2 proxies. Where 2 proxies are appointed:
  - (i) a separate Proxy Form should be used to appoint each proxy;
  - (ii) the Proxy Form may specify the proportion, or the number, of votes that the proxy may exercise, and if it does not do so the proxy may exercise half of the votes.
- (c) (who may be a proxy): A shareholder can appoint any other person to be their proxy. A proxy need not be a shareholder of the Company. The proxy appointed can be described in the Proxy Form by an office held, for example, “the Chair of the Meeting”.
- (d) (signature(s) of individuals): In the case of shareholders who are individuals, the Proxy Form must be signed:
  - (i) if the shares are held by one individual, by that shareholder;
  - (ii) if the shares are held in joint names, by any one of them.
- (e) (signatures on behalf of companies): In the case of shareholders who are companies, the Proxy Form must be signed:
  - (i) if it has a sole director who is also sole company secretary, by that director (and stating that fact next to, or under, the signature on the Proxy Form);
  - (ii) in the case of any other company, by either 2 directors or a director and company secretary.

The use of the common seal of the company, in addition to those required signatures, is optional.

- (f) (other authorised persons): If the person signing the Proxy Form is doing so under power of attorney, or is an officer of a company outside of (e) above but authorised to sign the Proxy Form, the power of attorney or other authorisation (or a certified copy of it), as well as the Proxy Form, must be received by the Company by the time and at the place in (g) below.
- (g) (lodgement place and deadline): A Proxy Form accompanies this notice. To be effective, Proxy Forms (duly completed and signed) must be received by the Company at:
  - (i) by facsimile on +(61 3) 9620 3123; or
  - (ii) by post or delivery to the Company’s Head Office: Level 8 North Tower, 459 Collins Street, Melbourne VIC 3000,

no later than 24 hours before the time for the holding of the meeting.

## **SHAREHOLDERS WHO ARE ENTITLED TO VOTE**

For the purposes of this meeting and in accordance with regulation 7.11.37 of the Corporations Regulations 2001, the directors have determined that a person’s entitlement to vote at the meeting will be the entitlement of that person set out in the register of members as at 7.00 pm (Sydney time) on Wednesday 25 April 2007.

# EXPLANATORY STATEMENT

## 1. INFORMATION RELEVANT TO ALL RESOLUTIONS

### **Raising of funds for the Company**

- 1.1 Your Directors are proposing to raise funds for the Company by means of issues of ordinary fully paid shares by means of placements of up to 344,033,334 shares:
- (i) as to 193,110,648 to certain sophisticated and institutional investors (which placements are the subject of Resolution 1); and
  - (ii) as to 147,589,353 shares to certain sophisticated and institutional investors as may be determined by your Directors in conjunction with Austock Corporate Finance Limited (which placements are the subject of Resolution 2); and
  - (iii) as to the remaining 3,333,333 shares to Mr. Bruce Watson (on the same terms as other participants) - a "related party" of the Company by reason of his being a Director of the Company (which placement is the subject of Resolution 3).
- 1.2 The Company announced on Wednesday 9 March 2007 that it proposed to effect a capital raising by way of placements of up to 344,033,334 ordinary shares at an issue price of 1.5 cents per share.
- 1.3 If all 344,033,304 shares are issued, the funds raised by such placements will be a gross amount of \$5,160,499.56.
- 1.4 The allotment of 193,110,648 shares to certain sophisticated and institutional investors referred to in Resolution 1 was effected by the Directors on 16 March 2007.
- 1.5 Through Austock Corporate Finance Limited the Directors have secured the commitment of certain sophisticated and institutional investors to participate in the placement of 147,589,353 shares (which placements are the subject of Resolution 2).
- 1.6 Subject to the prior approval of Resolution 2 and subsequent shareholder approval of Resolution 3, the allotment of 3,333,333 shares to Mr. Bruce Watson will be effected.
- 1.7 Subject to the approval of Resolutions 2 and 3, the allotment of the total of 150,922,686 shares referred to in these resolutions will be finalised within 7 days after such resolutions are passed.

### **Use of funds raised**

- 1.9 The total amount of \$5.16 million to be raised from the placements referred to in paragraph 1.1 will be applied by the Company as follows:
- \$4.45 million Funding the existing creditors and holding costs associated with the development of the Cibaliung Gold Project; and
  - \$0.71 million to fund ongoing general working capital including costs associated with the placement.

### **Increases in share capital**

- 1.10 At the date of the Notice of General Meeting there are 1,494,034,358 ordinary fully paid shares in the capital of the Company on issue. This figure includes the 193,110,648 shares allotted on 16 March 2007 and which are the subject of Resolution 1.

- 1.11 All of the placements referred to in paragraph 1.1 above total 344,033,304 shares which together represent 26.4% of the issued capital prior to commencement of the Placement.
- 1.12 Assuming that all of the Resolutions to be considered are approved by shareholders the number of shares on issue will increase to 1,644,957,044.
- 2. RESOLUTION 1: APPROVAL OF 15% SHARE PLACEMENT TO INSTITUTIONAL INVESTORS**
- 2.1 Resolution 1 seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 193,110,648 shares as a placement at a price of 1.5 cents.
- 2.2 These shares were placed to certain “excluded offerees” in the context of the Corporations Act 2001 being sophisticated investors and institutional investors identified by Austock Corporate Finance Limited.
- 2.3 The 193,110,648 shares represent just under 15% of the Company’s issued ordinary shares prior to commencement of the Placement.
- 2.4 ASX Listing Rule 7.1 prohibits (subject to certain exceptions such as pro-rata issues and bonus issues) the Company from issuing or agreeing to issue new securities (such as the shares referred to above) representing more than 15% of its total issued ordinary shares during the following 12 month period, without shareholder approval.
- 2.5 ASX Listing Rule 7.4 permits an issue of shares to be approved retrospectively. It provides that an issue of securities is deemed to have been made with shareholder approval if Listing Rule 7.1 is not breached at the time the securities were issued and shareholders subsequently approve (ratify) the issue.
- 2.6 By shareholders ratifying this issue of securities it enables the Company to give the Board flexibility to issue further securities up to the 15% limit over the following 12 month period. Once the issue of this 193,110,648 shares is approved, these shares will not be counted as a new issue for the purposes of the 15% limit in Listing Rule 7.1

### **Terms of Issue**

- 2.7 The 193,110,648 shares being the subject of this Resolution 1 were allotted on 16 March 2007 and have the same rights and rank equally with the existing ordinary fully paid shares of the Company.
- 2.8 The intended use of the funds raised by means of the issue of shares referred to in Resolution 1 is described in paragraph 1.9 above.

### **Recommendation on Resolution 1**

- 2.9 Each of the directors, Bruce Watson, George Tahija, John Carlile and Chris Melloy, recommends that shareholders vote in favour of Resolution 1 as it authorises a material part of the fund raising required by the Company for the purposes set out in paragraph 1.9 above.

### **Voting restrictions on Resolution 1**

- 2.10 There are voting restrictions in relation to Resolution 1, the terms of which are set out immediately after the text of Resolution 1 in the Notice of General Meeting.

- 2.11 If you are a person who is likely to participate in the placement of shares then that potential participant, and any associate of that potential participant, should refrain from voting on Resolution 1.

### **3. RESOLUTION 2: APPROVAL OF SHARE PLACEMENTS TO UNRELATED PARTIES**

#### **Listing Rule 7.1**

- 3.1 Under Listing Rule 7.1 your directors, in effect have the authority to make placements of up to 15% of the issued share capital of the Company without having to obtain shareholder approval.
- 3.2 The purpose of Resolution 2 is, therefore, also to refresh the 15% authority of your directors referred to in paragraph 3.1 above. If Resolution 2 is not passed this would restrict the authority of your directors to make further placements until the formula in Listing Rule 7.1, and lapse of time, allows your directors to do so.

#### **Terms of issue**

- 3.3 Under Resolution 2, the maximum number of shares to be issued is 147,589,353. Those shares will be placed at 1.5 cents per share.
- 3.4 These shares will be placed with selected investors as have been identified by Austock Corporate Finance Limited. These shares are to be placed to “excluded offerees” in the context of the Corporations Act 2001 being sophisticated investors and institutional investors. These shares will not be placed with any “related party” of the Company. In other words, they will not be placed with any director of the Company, any specified members of the family of a director of the Company, PT Austindo Nusantara Jaya, Genview Holdings Pte Limited, or any other company under the control of any director (or their family) of the Company.
- 3.5 The new shares, when issued, will have the same rights and rank equally with the existing ordinary fully paid shares of the Company.
- 3.6 The intended use of the funds raised by means of the issue of shares referred to in Resolution 2 is described in paragraph 1.9 above.
- 3.7 It is intended that allotment of the shares will be completed within 7 days after the date of this meeting, however allotment may occur progressively and will in any event be issued not later than three months after the date of this meeting.

#### **Recommendation on Resolution 2**

- 3.8 Each of the directors, Bruce Watson, George Tahija, John Carlile and Chris Melloy, recommends that shareholders vote in favour of Resolution 2 as it authorises a material part of the fund raising required by the Company for the purposes set out in paragraph 1.9 above.

#### **Voting restrictions on Resolution 2**

- 3.9 There are voting restrictions in relation to Resolution 2, the terms of which are set out immediately after the text of Resolution 2 in the Notice of General Meeting.
- 3.10 If you are a person who is likely to participate in the placement of shares then that potential participant, and any associate of that potential participant, should refrain from voting on Resolution 2.

#### **4. RESOLUTION 3: APPROVAL OF SHARE PLACEMENTS TO RELATED PARTIES**

##### **Listing Rule 10.11**

- 4.1 Listing Rule 10.11 requires shareholder approval for the issue of equity securities to a “related party” of the Company. Resolution 3 is proposed for this purpose. If Resolution 3 is approved it has the added effect of being an issue of shares approved under Listing Rule 7.1.

##### **Related Party – Mr. Bruce J. Watson**

- 4.2 Mr. Bruce J. Watson is a “related party” of the Company by virtue of his directorship of the Company.

##### **Terms of issue**

- 4.3 The 3,333,333 shares to be issued to Mr. Bruce J. Watson will be issued by within one month after the date of this meeting.
- 4.4 The new shares, when issued, will have the same rights and rank equally with the existing ordinary fully paid shares of the Company.
- 4.5 The intended use of the funds raised by means of the issue of shares referred to in Resolution 3 is described in paragraph 1.9 above.

##### **Recommendation on Resolution 3**

- 4.6 Of the directors of the Company Mr. Bruce Watson is the subject of Resolution 3, and accordingly does not for that reason make a recommendation in relation to Resolution 3.
- 4.7 Each of the remaining directors, George Tahija, John Carlile and Chris Melloy recommends that shareholders vote in favour of Resolution 3 as it authorises a part of the fund raising required by the Company for the purposes set out in paragraph 1.9 above.

##### **Voting restrictions on Resolution 3**

- 4.8 There are voting restrictions in relation to Resolution 3, the terms of which are set out immediately after the text of Resolution 3 in the Notice of General Meeting.

# AUSTINDO RESOURCES CORPORATION N.L.

ACN 002 678 640

## Proxy Form

**Shareholder – please complete**

\_\_\_\_\_  
(full name of shareholder – please print)

\_\_\_\_\_  
(address)

**All correspondence to:**

Austindo Resources Corporation N.L.  
Level 8, North Tower, 459 Collins St  
Melbourne VIC 3000

Enquiries: (03) 9620 3110

Fax: (03) 9620 3123

### Appointment of Proxy

I/We being a member/s of Austindo Resources Corporation N.L. and entitled to attend and vote hereby appoint

the Chair of the Meeting (mark with an "X")

**OR**

Write here the name of the person you are appointing if this person is **someone other than** the Chair of the Meeting.

or failing the person named, or if no person is named, the Chair of the Meeting, as my/our Proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as my/our Proxy sees fit) at the General Meeting of Austindo Resources Corporation N.L. to be held on 27 April 2007 at 11 am and at any adjournment of that Meeting.

**Important: for items 3 below**



If the Chair of the Meeting is your nominated Proxy, or may be appointed by default, and you have not directed your Proxy how to vote on item 3, please place a mark (an "X") in this box.

By marking this box, you acknowledge that the Chair of the Meeting may exercise your proxy vote even if he has an interest in the outcome of that item and that votes cast by him, other than as a Proxy, would be disregarded because of that interest. If you do not mark this box, and you have not directed your Proxy how to vote, the Chair of the Meeting will not cast your votes on item 3. The Chair of the Meeting intends to vote undirected Proxies in favour of all resolutions.

**Voting directions to your Proxy** – please mark  to indicate your directions

BUSINESS	FOR	AGAINST	ABSTAIN *
1. Approval post-issue of shares – 15%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of share placements to unrelated parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of share placements to related parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll on that item and your votes will not be counted in computing the required majority on a poll on that item.

### SIGNATURE/S – this must be signed

This section *must* be signed in accordance with the instructions under "Voting by Proxy" at the end of the Notice of General Meeting.

**Individual or Shareholder 1**

Sole director and sole company secretary

**Shareholder 2**

Director

**Shareholder 3**

Director/Company secretary

\_\_\_\_\_  
Contact name

\_\_\_\_\_  
Contact Daytime Telephone

\_\_\_\_\_  
Date