

ASPERMONT LIMITED

ABN 66 000 375 048

**NOTICE OF GENERAL MEETING
AND PROXY FORM**

Date of Meeting

12 June 2012

Time of Meeting

11:00 am

Place of Meeting

613-619 Wellington Street

Perth, Western Australia

**NOTICE OF GENERAL MEETING
ASPERMONT LIMITED
ABN 66 000 375 048**

INSTRUCTIONS TO SHAREHOLDERS

Venue

The General Meeting of the shareholders of Aspermont Limited will be held at:

613-619 Wellington Street, Perth, Western Australia, commencing at 11:00am (WST) on
12 June 2012

How to Vote

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

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 11:00 am.

Voting by Proxy

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

- return the proxy form by post to Aspermont Limited, PO Box 78, Leederville 6902, Western Australia; or
- send the proxy by facsimile to the Company on facsimile number 61 8 6263 9148

so that it is received not later than 11:00 am (WST) on 10 June 2012.

Your proxy form is enclosed.

Bodies Corporate – Corporate Representation

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at the meeting of Shareholders. The appointment may be a standing one.

Enquiries

The Company welcomes enquiries in respect of matters covered in this Notice of Meeting and attendance of shareholders at the General Meeting proposed. Should you require further information please contact:

The Company Secretary
John R Detwiler
Phone: (+61 8) 6263 9103 Fax: (+61 8) 6263 9148

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of shareholders of Aspermont Limited ABN 66 000 375 048 ("**Company**" or "**Aspermont**") will be held at 613-619 Wellington Street, Perth, Western Australia on 12 June 2012 at 11:00 am Western Standard Time, for the purpose of transacting the following business referred to in this Notice of General Meeting.

An Explanatory Memorandum containing information in relation to each of the following resolutions and a Proxy Form accompanies this Notice of Meeting.

ORDINARY BUSINESS

Resolution 1 – Approval to Implementation of Global Settlement with Mr Kent and his associates

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

"That, pursuant to and in accordance with section 208 of the Corporations Act and for all other purposes, the Company approves and authorises the payment to Ileveter of the sum of \$599,485 to be payable in accordance with the provisions of Ileveter Loan Agreement with interest at 9.5% (subject to annual review in accordance with the Ileveter Loan Agreement), pursuant to the provisions of the Global Settlement as referred to in the Explanatory Memorandum".

The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 1 by Mr Kent, Drysdale, Ileveter and any associate of Mr Kent. 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 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 to Implementation of Global Settlement with Mr Stark and his associates

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

"That, pursuant to and in accordance with section 208 of the Corporations Act and for all other purposes, the Company approves and authorises the payment to Mr Stark of the sum of \$100,000, to be repayable immediately, and the sum of \$599,485 to be payable to Allan Dale Holdings in accordance with the Allan Dale Holdings Loan Agreement with interest at 9.5% (subject to annual review in accordance with the Allan Dale Loan Agreement), pursuant to the provisions of the Global Settlement as referred to in the Explanatory Memorandum".

The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 2 by Mr Stark, Allan Dale Holdings and any associate of Mr Stark. 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 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 to Options being Transferred to Related Holding Vehicles of Directors to Whom Executive Options Have Been Issued

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

"That pursuant to section 208 of the Corporations Act and for all other purposes, the Company approves and authorises the amendment of the Executive Options to permit the transfer of the Executive Options to a Related Holding Vehicle of the person to whom they were issued. "

The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 3 by Mr Kent, Mr Nader and Mr O'Brien (to whom the Executive Options have been issued) and any associate of Mr Kent, Mr Nader and Mr O'Brien. 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 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



Mr John R Detwiler
Company Secretary
Dated: 3 May 2012

PROXIES

- Votes at the general meeting may be given personally or by proxy, attorney or representative.
- A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
- A proxy may but need not be a shareholder of the Company.
- The instrument appointing the proxy must be in writing, executed by the appointor or their attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer of his attorney.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the Registered Office of the Company at least 48 hours prior to the meeting. For the convenience of shareholders a Proxy Form is enclosed.

For the purposes of Regulation 7.11.37 of the Corporation Regulations the Company determines that members holding ordinary shares at 5.00pm Western Standard Time on 10 June 2012 will be entitled to attend and vote at the General Meeting.

ASPERMONT LIMITED

ABN 66 000 375 048

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders in Aspermont Limited ("**Company**") with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice of General Meeting:

RESOLUTIONS 1 AND 2 – APPROVAL TO SETTLEMENT ARRANGEMENTS WITH MR KENT AND HIS ASSOCIATES AND MR STARK AND HIS ASSOCIATES

The payments proposed to be made to Ileveter (a company which is an associate of Mr Kent) and Mr Stark and Allan Dale Holdings (a company which is an associate of Mr Stark), for which approval is sought in Resolutions 1 and 2, are intended to be part of the Global Settlement between the Company and (1) Mr Kent and his associates Ileveter and Drysdale and (2) Mr Stark and his associate Allan Dale Holdings, in respect of claims by them arising from financial arrangements referred to below.

Claim In Respect of Warrants received by the Company as a result of funding made by Ileveter and Allan Dale Holdings

Background

In August 2006 Aspermont was alerted to an opportunity to acquire a greater share of the equity and debt of Mining Communications Limited ("**MCL**"). Although Aspermont held some shares in MCL, at this time MCL was not a subsidiary of Aspermont.

In connection with the proposed acquisition by Aspermont of further shares and debt of MCL, it was necessary to put in place a loan facility from Barclays Bank to MCL.

A facility letter set out the terms of a debt facility to be provided to MCL which Media Group Europe Limited were arranging with Barclays Bank. The Facility Letter terms were as follows:

- (i) the facility was for GB Pounds 1.2 million;
- (ii) the security to be provided included a charge and standby letters of credit from reputable banks totalling GB Pounds 1.2 million to be provided by the Company for GB Pounds 700,000 and Robin Miller for GB Pounds 500,000;
- (iii) the consideration being granted to the guarantee providers are warrants for 7.5% of the equity at 0.01 pence per share of MCL to be issued pro rata to the Company and Robin Miller.

Robin Miller was a director of MCL.

Based on the then exchange rate, the amount which the Bank required the Company to deposit as collateral for the letter of credit was AUD \$1,940,000.

The Company did not have these funds available to it. Ileveter (a company which is an associate of Mr Kent) and Allan Dale Holdings each deposited funds to support the Barclays Bank facility ("**Barclays Support**").

The restricted deposits constituting the Barclays Support were subsequently replaced by a guarantee by BankWest and the \$1,940,000 deposit was released by Barclays to the Company.

The Barclays Support was documented as a loan to the Company in the Original Ileveter Loan Agreement and the Original Allan Dale Loan Agreement. Allan Dale is an associate of Mr Stark. The Original Ileveter Loan Agreement and the Original Allan Dale Loan Agreement each provided that the loans would be repaid on 21 October 2007 (subject to provisions for extension or early payment on default) and that interest would be paid at 8.05%. The loan agreements stated that "this interest rate is subject to change in accordance with the interest rate under the loan between the lender and Macquarie Bank". The Original Ileveter Loan Agreement provided that a non-refundable application fee of \$6,277 is to be paid by the Company and the Allan Dale Loan Agreement provided that a non-refundable application fee of \$4,650 is to be paid by the Company. The Original Ileveter Loan Agreement and the Original Allan Dale Loan Agreement each provide that an annual fee of \$25,000 will be paid.

In addition to documenting the Barclays Support, the Original Ileveter Loan Agreement and the Original Allan Dale Loan Agreement were also used as the documentary basis for further funding provided by Mr Kent and his associates and Mr Stark and his associates until they were replaced by the New Ileveter Loan Agreement and the New Allan Dale Loan Agreement. The Original Ileveter Loan Agreement and the Original Allan Dale Loan Agreement both stated that they related to the Barclays Support and other liabilities of the Company to Ileveter and Allan Dale Holdings.

As mentioned above and as noted under the section of this Explanatory Statement headed "Financial Accommodation Provided by Mr Kent, Mr Stark and their Related Parties", Ileveter, Drysdale (an associate of Mr Kent) Allan Dale Holdings, and Mr Stark have provided further financial accommodation to the Company and that the Original Ileveter Loan Agreement and the Original Allan Dale Loan Agreement were replaced in June 2010 by the New Ileveter Loan Agreement and the New Allan Dale Loan Agreement.

The "Guarantors' Fee" - Equity Warrants

As noted, the Facility Letter stated that the consideration to be granted to the "guarantee providers" are warrants for 7.5% of the equity at 0.01 pence per share of MCL to be issued pro rata to the Company and Robin Miller. The "guarantees" provided were the standby letters of credit provided by the Company and Robin Miller. In accordance with this provision the Company and Robin Miller each received the following equity warrants:

- (a) the Company: 297,315 warrants (being 4.37% of the ordinary share capital of MCL); and
- (b) Robin Miller: 212,368 warrants (being 3.125% of the ordinary share capital of MCL).

These warrants were exercised by Aspermont as part of a recapitalisation of MCL in October 2006.

Claim

Mr Kent and Ileveter and Mr Stark and Allan Dale Holdings, have claimed that the Company received its entitlement to the warrants as consideration for the funds made available by them pursuant to the original cash deposits (the Barclays Support) as referred to above. They have claimed that they should be entitled to approximately \$928,000 being what Mr Kent/Ileveter and Mr Stark/Allan Dale Holdings consider the value of the warrants to have been in June 2008, when the Company completed its acquisition of MCL, plus interest at \$88,000. The total amount of the claim by Mr Kent/Ileveter and Mr Stark/Allan Dale Holdings is \$1,016,000. Mr Kent/Ileveter and Mr Stark/Allan Dale Holdings have stated that at the time they provided the funding for the Company to secure the Barclays Bank facility (for which the Company received the entitlement to the warrants) they would have received some benefit from the value of the warrants obtained by the Company.

Mr Stark wrote to the Company on 22 June 2011 setting out the claim on behalf of himself and Mr Kent as follows:

"... my claim is for compensation equal to the value of the MCL warrants provided to Aspermont in consideration for the Barclay Bank guarantees which were provided by Mr Stark and Mr Kent in 2006.

By using Mr Robin Miller as a third party proxy, at 30 June 2008 when Aspermont completed its acquisition of MCL, I have estimated the value of the warrants provided to Aspermont in consideration for the Barclay bank as follows:

The 26 March 2008 agreement for the acquisition of outstanding shares and loan stock of MCL indicates there were 6,795,789 Ordinary Shares issued.

The warrants in question represented 4.375% of those outstanding shares (Mr Robin Miller received the other 3.125%, the two together constituting the 7.5% warrants described in the 20 August 2006 letter from MediaGroup Europe Limited outlining the arrangement).

Based again on the 26 March 2008 agreement for the acquisition of outstanding shares and loan stock of MCL, the 297,315 Ordinary Shares (calculated as 4.375% of 6,795,789 Ordinary Shares Issued) of MCL would have been exchanged for:

297,315 X GBP 1.18689 = GBP 352,880; using the 30 June 2008 exchange rate of 2.08 this would be AUD \$733,990.

and

297,315 X 5.335 Aspermont Ordinary shares = 1,586,175 Aspermont Ordinary Shares; using the weighted average traded value for the three months ended 30 June 2010 of \$0.1223 this would be AUD \$193,989.

When the loan guarantees were provided by us in 2006, we believed we would be compensated for the associated value of the warrants which accrued to Aspermont.

In light of the above, and given the significant lapse in time since the conclusion of the MCL acquisition, the following is our claim for settlement of this matter

- *Total balance to commence on 1 July 2011 would be A\$1,016K representing the principal of \$928K and accrued interest at 9.5% (current rate of related party loans and an agreed arms-length fixed rate).*
- *We are prepared to accept a new loan to cater for the outstanding with a \$100K establishment fee on signing new facility*
- *Terms of loan are \$500K to be paid prior to 1 July 2012, balance to be paid by 1 July 2013*

As 50% owner of the warrants my claim therefore 50% of the above items."

Ileveter and Mr Kent have confirmed that their claim is in the same terms. It will however be noted that under the terms of the proposed Global Settlement the proposed settlement arrangements between Mr Kent/Ileveter and his associates and Mr Stark and his associates are different.

Claim in Respect of Movements in Exchange Rates in respect of Notes issued by MCL

Background

MCL issued notes pursuant to a Fixed Rate Loan Deed dated 20 October 2006. MCL is a UK company. The notes were denominated in sterling at 1 (one) GB Pound per note. Interest was payable on the notes at 12% per annum. Under the terms of Fixed Rate Loan Deed the notes were to be redeemed on the first to occur of the following:

- (i) completion of sale or listing;
- (ii) a note holder giving notice requiring repayment on a default; or
- (iii) 30 June 2010.

Mr Stark acquired GBP 399,819 of MCL loan notes in October 2006. Mr Stark has advised the Company that the loan notes were beneficially owned equally by him and Mr Kent.

The notes owned by Mr Stark and Mr Kent were recorded by MCL as being held by Aspermont. Aspermont acquired the shares of MCL and redeemed loan notes owned by third parties on 30 June 2008.

All notes owned by third parties, excluding notes owned by Aspermont and the notes owned by Messrs Stark and Kent were redeemed in June 2008 as part of the acquisition of MCL at that time. The fact that some of these notes were owned by Messrs Stark and Kent was overlooked until June 2010.

Claim

Mr Stark and Mr Kent have advised the Company that they consider that they should be compensated for the fluctuations in the exchange rate movement between GB Pounds ("GBP") and the Australian dollar ("AUD") between March-June 2008, when the loan notes owned by them should have been redeemed and June 2010 when this matter was identified and the liabilities to Messrs Stark and Kent recognised.

Mr Stark and Mr Kent have together claimed the sum of \$182,970 as compensation in this regard, calculated as follows:

	GBP	Converted to AUD
October 2006 loan note balance	399,819	
Accrued interest through June 2008	<u>79,035</u>	
Amount owed at time of the MCL acquisition in 2008	478,854	
Payable at 27 March 2008	296,890	647,219
Payable at 30 June 2008	181,964	<u>378,486</u>
Value in Australian Dollars in 2008		1,025,705
Value recognised in June 2010 Australian Dollars		<u>842,735</u>
Foreign exchange loss in AUD		<u>(182,970)</u>

FINANCIAL ACCOMMODATION PROVIDED BY MR KENT, MR STARK AND THEIR ASSOCIATES

As at 30 November 2011 monies owed by the Company to Mr Kent and Mr Stark and their associates are as follows:

Mr Stark: \$225,490;

Allan Dale Holdings: \$1,663,292;

Mr Kent & Ileveter: \$283,792;

Drysdale: \$839,134.

The New Ileveter Loan Agreement; the new Allan Dale Loan Agreement, the Stark Loan Agreement and the Drysdale Loan Agreement have been entered into with the Company. Each of these loan agreements provide as follows:

- (i) the loans are to be repaid on 30 June 2013, or earlier default, unless they agree to extend the repayment date on the "Annual Review Date";

- (ii) interest is payable at 9.5% but is subject to an annual review;
- (iii) the initial Annual Review Date was to be 1 October 2011;
- (iv) Annual Fees are to be paid in respect of each loan agreement on each anniversary of the date of the agreement as follows:
 - Drysdale \$5,000;
 - Ileveter \$25,000;
 - Allandale \$25,000; and
 - Mr Stark \$5,000.

PROPOSED GLOBAL SETTLEMENT

The Company obtained legal advice on the Claims and on the basis of that advice initially rejected them. The claims and that rejection formed the basis for the dispute which the Company is seeking to settle with a once-off global settlement. In deciding to settle the matter, the Company has taken into consideration the following factors:

- (1) Mr Kent and Mr Stark have and continue to accommodate the Company in its dealings with the bank, including agreeing to subordinate their liabilities to those of the bank;
- (2) the significant financial support which Mr Kent and Mr Stark and their associates have provided to the Company and which continues to be provided as noted under the heading "Financial Accommodation Provided by Mr Kent, Mr Stark and their Associates"; and
- (3) a potential dispute with Mr Kent and Mr Stark will negatively impact the Company's current and future business and create uncertainty which will not be in the interests of the Company; and
- (4) that offering a global settlement will be in the best interests of the Company.

On this basis the Independent Directors have proposed the following settlement (subject to obtaining shareholder approval in accordance with section 208 of the Corporations Act) in respect of the Claims:

- (i) Payment of \$100,000 to Mr Stark;
- (ii) Payment of \$599,485 to Allan Dale Holdings, to be paid in accordance with the provisions of the Allan Dale Holdings Loan Agreement; and
- (iii) Payment of \$599,485 to Ileveter, to be paid in accordance with the provisions of the Ileveter Loan Agreement.

The settlement arrangements also entail the following amendments to the New Ileveter Loan Agreement; the new Allan Dale Loan Agreement, the Stark Loan Agreement and the Drysdale Loan Agreement:

- (i) the repayment date is to be extended to 30 September 2013;

- (ii) the next Annual Review Date will be 1 November 2012;
- (iii) the rate of interest will be 9.5% per annum;
- (iv) Mr Stark and Allan Dale Holdings will not be entitled to the Annual Fee under the Stark Loan Agreement and the Allan Dale Loan Agreement for the year ending 30 June 2012.

These arrangements will be in full and final settlement of all claims by Mr Kent, Drysdale, Ileveter, Mr Stark and Allan Dale Holdings arising or in respect of the Claims and are referred to as "**the Global Settlement**". The Global Settlement will be set out in a settlement deed (subject to approval from shareholders pursuant to section 208 of the Corporations Act being forthcoming as proposed in Resolutions 1 and 2).

The proposed payments represent the following:

- (i) \$100,000 to Mr Stark represents \$100,000 claimed by him as a "facility fee" in respect of the claim under the heading "*Claim In Respect of Warrants received by the Company as a result of funding made by Ileveter and Allan Dale Holding*";
- (ii) \$599,485 to Allan Dale Holdings which represents one half of the total amounts claimed by Mr Kent/Ileveter and Mr Stark/Allan Dale Holdings under the Claims (disregarding the amount of \$100,000 to be paid to Mr Stark as referred to in (i) above); and
- (iii) \$599,485 to Ileveter which represents one half of the total amounts claimed by Mr Kent/Ileveter and Mr Stark/Allan Dale Holdings under the Claims (disregarding the amount of \$100,000 to be paid to Mr Stark as referred to in (i) above).

As part of the proposed Global Settlement, the Company will undertake that it will use its best efforts to pay \$250,000 of the principal sums to Ileveter and Allan Dale Holdings prior to 30 June 2012, subject to approval by its bank (which approval is required under the terms of its finance arrangements).

RESOLUTION 3- ABILITY OF DIRECTORS TO TRANSFER EXECUTIVE OPTIONS TO RELATED HOLDING ENTITIES

On 31 October 2011, the Company in a general meeting approved the issue of the options ("**Executive Options**") to the following directors of the Company:

- (1) Mr Kent 16,000,000 Options;
- (2) Mr Nader 1,000,000 Options; and
- (3) Mr O'Brien 4,000,000 Options.

The terms of the Executive Options were set out in the notice of meeting set out in the notice which convened the general meeting of 31 October 2011. The Executive Options entitle each holder to acquire one share for each option upon paying the exercise price. The exercise price for each Executive Option is 150% of the highest and lowest trading prices for the shares in the Company on the day the conditions

precedent relating to the issue of the options were met. In accordance with this formula the exercise price was determined as \$0.15 per Executive Option. The terms on which the Executive Options were issued prevented them being transferred.

It was the intention of the directors of the Company that the options could be held by related trusts or superannuation funds of the directors to whom they were issued, however, approval was not sought in these terms and the Executive Options were issued to Mr Kent, Mr Nader and Mr O'Brien personally. The Company's directors wish to make an amendment to the terms of the Executive Options to permit them to be transferred to one of the following:

- (a) a trustee of a trust (in his, her or its capacity as trustee of that trust) in respect of which the director who holds the Options ("**Relevant Director**") has the right to appoint and remove trustees;
- (b) a trustee self-managed superannuation fund (in his, her or its capacity as trustee of that trust) of which the Relevant Director is a beneficiary; or
- (c) a company in which the Relevant Director is a director and controls, directly or indirectly, the appointment and removal of the directors of that company.

Each of the above are referred to as "**Related Holding Vehicles**".

If the Executive Options are to be transferred to a Related Holding Vehicle, prior to the transfer the Related Holding Vehicle must enter into a deed with the Company agreeing to be bound by the terms on which the Executive Options have been issued. The Options will continue to be subject to a prohibition on transfers by the Related Holding Vehicle and the deed to be entered into with the Company by the Related Holding Vehicle will provide that if the Related Holding Vehicle ceases to be a Related Holding Vehicle the Executive Options must be transferred back to the Relevant Director.

RELATED PARTY TRANSACTIONS-FURTHER INFORMATION IN RESPECT OF RESOLUTIONS 1, 2 AND 3

The following additional information is provided in respect of Resolutions 1, 2 and 3 inclusive.

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E:

Mr Kent, Drysdale and Ileveter are each a related party of the Company;

Mr Nader and Mr O'Brien are each a related party of the Company; and

Mr Stark, and Allan Dale Holdings are each a related part of the Company;

In accordance with section 219 of the Corporations Act, the following information is provided to shareholders:

- (a) The related parties to whom the proposed resolutions would permit the financial benefit to be given are set out below.
- (b) The nature of the financial benefits proposed to be given:
 - (i) That Ileveter receive \$599,485 to be paid in accordance with the Drysdale Loan Agreement with interest to accrue thereon at 9.5% per annum as part of the Global Settlement;
 - (ii) That Mr Stark be paid \$100,000 immediately and that Allan Dale Holdings also receives \$599,485 to be paid in accordance with the Drysdale Loan Agreement with interest to accrue thereon at 9.5% per annum as part of the Global Settlement; and
 - (iii) That Mr Kent, Mr Nader and Mr O'Brien may transfer the Executive Options issued to them to their respective Related Holding Vehicles.
- (c) The financial and tax consequences of the proposed transactions are as follows:
 - (i) The sum of \$1,268,970 will be recorded as an expense to the Company's accounts as expenses associated with the acquisition of MCL.
 - (ii) The sum of \$599,485 to be paid to Ileveter will, under the proposals to amend the terms of the Ileveter Loan Agreement as part of the Global Settlement, be repayable on 30 September 2013. Interest on the sum of \$599,485 from 30 June 2011 to 30 September 2013 will be \$142,241. As noted, the Company will undertake to pay \$250,000 of this sum prior to 30 June 2012 subject to approval from its bank;
 - (iii) As noted, if the Global Settlement is approved by shareholders \$100,000 will immediately be paid to Mr Stark. The sum of \$599,485 to be paid to Allan Dale Holdings will, under the proposals to amend the terms of the Allan Dale Holdings Loan Agreement as part of the Global Settlement, be repayable on 30 September 2013. Interest on the sum of \$599,485 from 30 June 2011 to 30 September 2013 will be \$142,241. As noted, the Company will undertake to pay \$250,000 of this sum prior to 30 June 2012 subject to approval from its bank;
 - (iv) There are no financial consequences in respect of the proposal that Mr Kent, Mr Nader and Mr O'Brien be permitted to transfer the Executive Options to their Related Holding Vehicles;
 - (v) Item (i) is not expected to be tax deductible to the extent it relates to the acquisition of a company. Interest and fees on the loans is expected to be tax deductible when paid or over time.
- (d) **Directors' Recommendations:**

Messrs Colm O'Brien, David Nizol, Lewis Cross and Charbel Nader who do not have an interest in Resolutions 1 and 2, recommend that the shareholders

approve Resolutions 1 and 2, as part of the Global Settlement. The reasons why Messrs O'Brien, Nizol, Cross and Nader recognize the support which Mr Kent and Mr Stark and their associates have provided to the Company and which continues to be provided as noted under the heading "*Financial Accommodation Provided by Mr Kent, Mr Stark and their Associates*" and are repeated as follows:

- (1) the Messrs O'Brien, Nizol, Cross and Nader recognize the support which Mr Kent and Mr Stark and their associates have provided to the Company and which continues to be provided as noted under the heading "*Financial Accommodation Provided by Mr Kent, Mr Stark and their Associates*";
- (2) Mr Kent and Mr Stark have accommodated the Company in its negotiations with the bank, including subordinated their liabilities to those of the bank;
- (3) a potential dispute with Mr Kent and Mr Stark will create uncertainty and will not be in the interests of the Company; and
- (4) that offering a global settlement will be in the best interests of the Company.

The Global Settlement also entails a re-negotiation of certain terms of the loans made by Mr Kent and Mr Stark and their associates, as set out under the heading *Proposed Global Settlement*, which Messrs O'Brien, Nizol, Cross and Nader consider are in the interests of the Company.

Mr Kent and Mr Stark have declined to make a recommendation in respect of Resolutions 1 and 2 because Mr Kent has a material interest in the outcome of Resolution 1 and Mr Stark has a material interests in the outcome of Resolution 2 and because those claims are related and arise out of the same set of circumstances they have abstained from making a recommendation.

Messrs Nizol, Cross, and Stark recommend that the shareholders approve Resolution 3. The reasons for this recommendation are that the proposal will not adversely affect the Company and it is not unusual for the executives to hold assets such as Executive Options through holding vehicles, such as family trusts or superannuation funds. Messrs Kent, Nader and O'Brien have declined to make a recommendation in respect of Resolution 3, because they have a potential interest in the outcome of the resolution.

- (e) Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by the proposed resolutions.

At the Company's request BDO Audit (WA) Pty Ltd (**BDO**) were engaged to perform agreed-upon procedures determined by the directors of the Company to verify certain inputs and calculations as referred to below. BDO did not review the adequacy of the procedures determined by the directors.

The directors instructed BDO to verify certain inputs and calculations in respect of the following matters:

- (1) in relation to the claims made by Mr Stark and Mr Kent:
 - (a) the calculation of the guarantee used by the claimants as a proxy to value

the warrant of \$927,979 (in respect of MCL warrants) as referred to in the claim under the heading "*The 'Guarantors' Fee' -Equity Warrants*"; and

(b) the foreign exchange loss as referred to in the claim under the heading "*Claim in respect of Movements in Exchange Rates in respect of Notes issued by MCL*";

(2) agreed the calculation of interest payable on each of the sum of \$599,485 from 1 July 2011 to 30 September 2013, using the rate of 9.5% per annum -which it is proposed be paid to each of Ileveter and Allan Dale Holdings as provided in the Global Settlement.

Role of ASIC and ASX

Pursuant to Section 218(1) of the Corporations Act, the Company must lodge with ASIC the notice of meeting and explanatory memorandum at least 14 days before the Notice of Meeting is given. The fact that this notice of meeting and explanatory statement have been received by ASIC and the ASX is not to be taken as an indication of the merits of the proposals. ASX and their respective officers take no responsibility for any decision a shareholder may make in reliance of that documentation.

GLOSSARY

The following terms have the following meanings in this Explanatory Memorandum:

"associate" and **"Associate"** has the meaning defined in the Corporations Act;

"Allan Dale Holdings" means Allan Dale Holdings Pty Ltd ABN 21 000 383 335 which is an associate of Mr Stark;

"Allan Dale Loan Agreement" means the loan agreement dated 30 June 2010 made between Allan Dale Holdings and the Company;

"ASX" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"Board" means the board of Directors;

"Claims" means the claims made Mr Kent, Mr Stark, Allan Dale and Ileveter referred to under the headings *"Claim In Respect of Warrants received by the Company as a result of funding made by Ileveter and Allan Dale Holdings"* and *"Claim in Respect of Movements in Exchange Rates in respect of Notes issued by MCL"*;

"Company" or **"Aspermont"** means Aspermont Ltd ABN 66 000 375 048;

"Corporations Act" means the Corporations Act 2001 (Cth);

"Drysdale" means Drysdale Investments Limited a company incorporated in the Commonwealth of the Bahamas, which is an associate of Mr Kent;

"Drysdale Loan Agreement" means the loan agreement dated 30 June 2010 made between Drysdale and the Company;

"Executive Options" means the unlisted options issued to Mr Kent, Mr Nader and Mr O'Brien as approved at the general meeting held on 31 October 2011 as referred to in this Explanatory Memorandum under the heading *"Resolution 3-Ability of Directors to Transfer Executive Options to Related Holding Vehicles"*;

"GB Pounds" or **"GBP"** means Pounds Sterling;

"Global Settlement" means the proposals to settlement the Claims set out under the heading *"Proposed Global Settlement"* in this Explanatory Statement;

"Ileveter" means Ileveter Pty Ltd ABN 35 001 790, which is an associate of Mr Kent;

"Ileveter Loan Agreement" means a loan agreement dated 30 June 2010 made between Ileveter and the Company;

"Listing Rules" means the Listing Rules of the ASX;

"MCL" means Mining Communications Ltd, a company incorporated in the United Kingdom;

"Mr Kent" means Andrew Leslie Kent, the Executive Chairman of the Company;

"Mr Nader" means Charbel Nader the Vice-Chairman of the Company;

"Mr O'Brien" means Colm O'Brien, the Chief Executive Officer of the Company;

"Mr Stark" means John Stark, a director of the Company;

"Notice" or **"Notice of Meeting"** means the notice of annual general meeting accompanying this Explanatory Memorandum;

"Related Holding Vehicle" has the meaning defined in this Explanatory Memorandum under the heading *"Resolution 3 - Ability of Directors to Transfer Executive Options to Related Holding Vehicles"*;

"Original Allan Dale Loan Agreement" means the loan agreement dated 29 March 2007 made between Allan Dale Holdings and the Company;

"Original Ileveter Agreement" means the loan agreement dated 29 March 2007 made between Ileveter and the Company;

"Stark Loan Agreement" means a loan agreement dated 30 June 2010 made between Mr Stark and the Company;

"\$" or **"AUD"** means Australian Dollars;

"WST" means Australian Western Standard Time.

ASPERMONT LIMITED
ABN 66 000 375 048

PROXY FORM

The Company Secretary
Aspermont Limited

I/We _____ of _____ being a member/members of Aspermont Limited HEREBY APPOINT _____ of _____ and/or failing him _____ of _____ or failing that person then the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at 613-619 Wellington Street, Perth, Western Australia, on 12 June 2012 at 11 am Western Standard Time and at any adjournment of the meeting.

Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:

I/We direct my/our Proxy to vote in the following manner:

RESOLUTION

FOR AGAINST ABSTAIN

Resolution 1 – Approval of Global Settlement arrangements with Mr Kent	☐	☐	☐
Resolution 2 – Approval of Global Settlement arrangements with Mr Stark	☐	☐	☐
Resolution 3 – Approval to authorise transfer of Executive Options to Related Holding Vehicles	☐	☐	☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

*If the Chair 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 this box.*

☐

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolutions(s) and that votes cast by the Chair of the meeting for those resolution(s) other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your vote on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chairman intends to vote undirected proxies in favour of all the resolutions set out in the Notice.

This Proxy is appointed to represent _____ % of my voting right, or if 2 proxies are appointed Proxy 1 represents _____ % and Proxy 2 represents _____ % of my total votes My total voting right is _____ shares
--

If the shareholder is an individual or joint holders:

Signature _____ Signature _____

If the shareholder is a company:

Affix common seal (if required by Constitution)

Director/Sole Director and Secretary

Director/Secretary

Print name

Print name

Dated: 2012

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote at this General Meeting as the Shareholder's proxy. A proxy need not be a Shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholders' voting rights. If such appointment is not made then each proxy may exercise half to the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or their attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed either in accordance with the Constitution of the company or under the hand of an officer of the company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by all of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noticed by the Company, must accompany the proxy form.
5. To be effective forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this General Meeting (that is by 11am Western Standard Time on 10 June 2012) by post or facsimile to the respective addresses stipulated in the explanatory statement to which this proxy form is attached.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) If the proxy is the Chairman, the proxy must vote on a poll and must vote that way; and
 - (d) If the proxy is not the Chairman, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.

7. The Chairman intends to vote undirected proxies in favour of all the resolutions set out in the Notice.