

DiamonEx Limited

ACN 091 951 978

Notice of Annual General Meeting and Explanatory Statement

Annual General Meeting to be held at
Level 1, 349 Coronation Drive, Milton, Queensland
on 5 April 2013 commencing at 10:00 am

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of shareholders of DiamonEx Limited ACN 091 951 978 (**Company**) will be held at Level 1, 349 Coronation Drive, Milton, Queensland on 5 April 2013 commencing at 10:00 am.

ORDINARY BUSINESS

Receive and Consider the Financial Statements

To receive and consider:

- (a) the Financial Report;
- (b) the Directors' Report; and
- (c) the Auditor's Report,

of the Company for the year ended 30 June 2012.

RESOLUTION 1. ADOPTION OF REMUNERATION REPORT

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

"That the Remuneration Report within the Directors' Report of the Company's 2012 Annual Report be considered and adopted."

Please note that the vote on this resolution is advisory only and does not bind the Company or its Directors.

Voting Exclusions

The Company will disregard any votes cast on this resolution by or on behalf of "Key Management Personnel" (as defined in the Accounting Standards as published by the Australian Accounting Standards Board) and their "closely related parties" (**Restricted Voter**).

Key Management Personnel (**KMP**) are the Company's Directors and Executives identified in the Company's Remuneration Report. A closely related party of a KMP means a spouse or child of the KMP, a child of the KMP's spouse, a dependant of the KMP or the KMP's spouse, and anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the Company or a company the KMP controls.

The Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of a Restricted Voter.

Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying Explanatory Statement.

RESOLUTION 2. RE-ELECTION OF PETER MCCLEAN VAN RIET-LOWE AS A DIRECTOR

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

"That Peter McClean van Riet-Lowe, who retires as a Director of the Company in accordance with the provisions of the Constitution, and being eligible, offers himself for re-election, be appointed as a Director of the Company."

RESOLUTION 3. RE-ELECTION OF WAYNE JOHN OSTERBERG AS A DIRECTOR

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

"That Wayne John Osterberg, who retires as a Director of the Company in accordance with the provisions of the Constitution, and being eligible, offers himself for re-election, be appointed as a Director of the Company."

RESOLUTION 4. APPROVAL OF PLACEMENT TO SOPHISTICATED INVESTORS

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

"That in accordance with ASX Listing Rule 7.1 and for all other purposes, the issue of 825,000,000 Shares by way of placement at an issue price of \$0.002 to various Sophisticated Investors, Professional Investors and overseas investors to raise up to \$1,650,000 on the terms and conditions set out in the Explanatory Statement, be approved."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 4 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and an associate of such persons. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 5. ISSUE OF SHARES TO ALLAN CHARLES BUCKLER UNDER THE BUCKLER AND SMITH UNDERWRITING AGREEMENT

To consider and if thought fit pass the following resolution as a special resolution:

“That subject to the passing of Resolutions 6, 7 and 8 and in accordance with ASX Listing Rule 7.1 and for all other purposes, the issue of 9,375,000 Shares as an underwriting fee and up to 375,000,000 Shares by way of underwriting commitment pursuant to the Buckler and Smith Underwriting Agreement, to Allan Charles Buckler as joint underwriter, at an issue price of \$0.002, be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 5 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and an associate of such persons. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 6. ISSUE OF SHARES TO MAXWELL TERRY SMITH UNDER THE BUCKLER AND SMITH UNDERWRITING AGREEMENT

To consider and if thought fit pass the following resolution as a special resolution:

“That subject to the passing of Resolutions 5, 7 and 8 and in accordance with ASX Listing Rule 7.1 and for all other purposes, the issue of up to 9,375,000 Shares as an underwriting fee and up to 375,000,000 Shares by way of underwriting commitment pursuant to the Buckler and Smith Underwriting Agreement, to Maxwell Terry Smith as joint underwriter, at an issue price of \$0.002, be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 6 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and an associate of such persons. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 7. ISSUE OF SHARES TO PAUL ANTHONY CRAWFORD UNDER THE CRAWFORD AND O'NEILL UNDERWRITING AGREEMENT

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

That subject to the passing of Resolutions 5, 6 and 8 and in accordance with ASX Listing Rule 10.11 and for all other purposes, the issue of up to 3,125,000 Shares as an underwriting fee and up to 125,000,000 Shares by way of underwriting commitment pursuant to the Crawford and O'Neill Underwriting Agreement, to Paul Anthony Crawford as joint underwriter, at an issue price of \$0.002, be approved”.

Voting Exclusion

The Company will disregard any votes cast on this Resolution 7 by Paul Anthony Crawford and any Associate of his. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 8. ISSUE OF SHARES TO DENNIS CHARLES O'NEILL UNDER THE CRAWFORD AND O'NEILL UNDERWRITING AGREEMENT

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

That subject to the passing of Resolutions 5, 6 and 7 and in accordance with ASX Listing Rule 10.11 and for all other purposes, the issue of up to 3,125,000 Shares as an underwriting fee and up to 125,000,000 Shares by way of underwriting commitment pursuant to the Crawford and O'Neill Underwriting Agreement, to Dennis Charles O'Neill as joint underwriter, at an issue price of \$0.002, be approved”.

Voting Exclusion

The Company will disregard any votes cast on this Resolution 8 by Paul Anthony Crawford and any Associate of his. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 9. APPROVAL OF ISSUE OF SHARES BY WAY OF PLACEMENT TO PAUL ANTHONY CRAWFORD AND ROBYN LYNELLE CRAWFORD AS TRUSTEES FOR THE KURATYN SUPERANNUATION FUND

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

“That in accordance with ASX Listing Rule 10.11 and for all other purposes, the issue of 75,000,000 Shares to Paul Anthony Crawford and Robyn Lynelle Crawford as Trustees for the Kuratyn Superannuation Fund at an issue price of \$0.002, be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 9 by Paul Anthony Crawford, Robyn Lynelle Crawford and any Associate of them. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 10. APPROVAL OF ISSUE OF SHARES BY WAY OF PLACEMENT TO EM ENTERPRISES QLD PTY LTD AS TRUSTEE FOR THE SHERWOOD SUPERANNUATION FUND

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

“That in accordance with ASX Listing Rule 10.11 and for all other purposes, the issue of 100,000,000 Shares to EM Enterprises Qld Pty Ltd as Trustee for the Sherwood Superannuation Fund at an issue price of \$0.002, be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 10 by EM Enterprises Qld Pty Ltd and any Associate of it. 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 a proxy for the person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 11. CHANGE OF THE COMPANY’S NAME TO SAYONA MINING LIMITED

To consider and if thought fit pass the following resolution as a special resolution:

“That for the purposes of Section 157(1)(a) of the Corporations Act, and for all other purposes, the name of the Company be changed from “DiamonEx Limited” to “Sayona Mining Limited”, with effect from the time when ASIC alters the Company’s registration details reflecting the change of company name.”

When Voting Rights are Determined

The regulations of the Corporations Act permit the Company to specify a time, not more than 48 hours before the meeting, at which a “snapshot” of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

All ordinary shares of the Company that are issued as at 6 March 2013 at 10am, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time.

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion is not specified each proxy is entitled to cast half of the number of votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

Corporate Representative

In order to vote on behalf of a company that is a shareholder in the Company, a valid Appointment of Corporate Representative form must be either lodged with the Company prior to the Annual General Meeting or be presented at the meeting before registering on the Attendee Register for the Annual General Meeting.

By Order of the Board

Paul Crawford
Company Secretary

28 February 2013

Explanatory Statement

Purpose of this Explanatory Statement

This Explanatory Statement is provided to Shareholders of the Company to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at Level 1, 349 Coronation Drive, Milton, Queensland on 5 April 2013 commencing at 10:00 am.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Statement in full before making any decision in relation to the resolutions.

Receive and Consider the Financial Statements

The *Corporations Act 2001* (**Corporations Act**) requires the Financial Report which includes the Financial Statements, Directors' Declaration, the Directors' Report and the Auditor's Report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report. Accordingly, the Company's Financial Report is placed before the Shareholders for discussion and no voting is required for this item of business.

Shareholders will have a reasonable opportunity at the Meeting to ask questions and make comments on these reports and on the business and operations of the Company.

1. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Remuneration Report of the Company for the period ended 30 June 2012 is set out in the Directors' Report of the 2012 Annual Report to Shareholders (**Remuneration Report**).

The Remuneration Report sets out the Company's remuneration arrangements for the Managing Director, Executives and Non-executive Directors. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting. In addition, section 250R(2) of the Corporations Act requires that Resolution 1 be put to the vote. However, the vote on this resolution is only advisory and does not bind the Company or its Directors.

Under the Corporations Act, at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at next year's Annual General Meeting (**second AGM**), the Company will be required to put to Shareholders a resolution proposing the calling of an Extraordinary General Meeting to consider the appointment of Directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Extraordinary General Meeting (**Spill Meeting**) within 90 days of the second AGM. All of the Directors who were in office before the second AGM, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as Directors is approved will be the Directors of the Company.

In the event that you choose to appoint the Chairman as your proxy:

The Chairman's voting intention is to vote in favour of this Resolution to adopt the Remuneration Report.

- (a) The attached Proxy Form provides that if the Chairman is appointed as proxy, the Chairman is directed to vote in accordance with the voting intention set out above, unless you direct the Chairman to vote in a different manner.
- (b) The Chairman will only vote in accordance with his stated voting intention if the relevant box is ticked.
- (c) If the relevant box is un-ticked the Chairman will not be permitted to vote the relevant shares on the Resolution in relation to the Remuneration Report.
- (d) For all other Resolutions where the Chairman is appointed as proxy, those proxies can remain undirected and may be voted on by the Chairman on that basis.

2. RESOLUTION 2: RE-ELECTION OF PETER MCCLEAN VAN RIET-LOWE AS A DIRECTOR

In accordance with the provisions of the Company's Constitution, Mr Peter McClean van Riet-Lowe is one of the Directors due to retire at this meeting by reason of the rotational retirement provisions. Mr van Riet-Lowe offers himself for re-election at this meeting.

Mr van Riet-Lowe was appointed as a Director and Chairman of the Company on 4 November 2009. Mr van Riet-Lowe has over 30 years experience in accounting and financial services. He founded the Fleming Group, a major investment house based in Botswana in 1992. He is currently the chief executive officer of Fleming Asset Management Botswana.

He served his articles with Deloitte Touche where he qualified and worked in their Botswana, South African and Zimbabwe practices. Thereafter he held two financial executive positions. Firstly he was CFO of the local

subsidiary of a multinational shipping company shipping, Safren Ltd listed in South Africa. Following that he was CFO and shareholder in a privately owned industrial and real estate development group in Botswana.

Mr van Riet-Lowe is a member of the Institute of Investment Management and Research (UK) and has now been involved in the asset management business for more than fifteen years.

He is presently a director of the Botswana-listed safari and tourism company, Chobe Holdings Limited. He also holds directorship in various Botswana and Australian private companies, in financial non-governmental organisations and charities.

3. RESOLUTION 3: RE-ELECTION OF WAYNE JOHN OSTERBERG AS A DIRECTOR

In accordance with the provisions of the Company's Constitution, Mr Wayne John Osterberg is one of the Directors due to retire at this meeting by reason of the rotational retirement provisions. Mr Osterberg offers himself for re-election at this meeting.

Mr Osterberg was appointed as a Director of the Company on 4 November 2009.

Mr Osterberg is currently the Chief Operating Officer of Fleming Asset Management Botswana and a Director of Fleming Asset Management Australia, Fleming SG Capital in Perth and the Fleming Africa Fund.

Mr Osterberg practiced law in Zimbabwe before entering the capital markets in 1997. He has extensive experience in stockbroking, corporate finance and asset management in Southern Africa and Australia with HSBC, Robert Fleming Corporate Finance, Stockbrokers Botswana and Fleming.

BACKGROUND TO RESOLUTIONS 4, 5, 6, 7, 8, 9 AND 10

Project Acquisition Strategy

The Company is actively seeking exploration and development opportunities. To this end, the Company entered into a joint venture with Azimuh Investments (Pty) Ltd to acquire a majority interest in Botswana Prospecting Licences PL204/2012 and PL205/2012 located in north central Botswana. The Company also intends to broaden its focus beyond Botswana and the capital raising described below will help fund its active project identification strategy. The Directors are in negotiations with various parties pursuant to this strategy, but they are still at an early stage and incomplete. Should the Directors secure further projects, the Company may revert to the market for additional capital at that time.

Capital Raising by way of Placement

To fund the strategy described above and to cover its corporate costs, the Company intends to undertake a placement of up to 1 billion Shares at an issue price of \$0.002 per Share, to raise up to \$2 million and it is to this placement and its underwriting that Resolutions 4, 5, 6, 7, 8, 9 and 10 relate. The Placement is expected to be completed by 31 March 2013 (unless the Company and the Underwriters agree a later date).

Underwriting of Placement

On 18 December 2012, the Company entered into an Underwriting Agreement with Mr Allan Charles Buckler and Mr Maxwell Terry Smith jointly, who are existing shareholders of the Company, pursuant to which they will, subject to shareholder approval (Resolutions 5 and 6), subscribe in equal proportions for Shares offered but not taken up under the Placement by 31 March 2013 (or a later date agreed between the Company and the Underwriters), up to a maximum aggregate value of \$1,500,000. The Underwriters have agreed that should the amount to be subscribed for by them under the Buckler and Maxwell Underwriting Agreement result in either Buckler's or Smith's voting power in the Company exceeding 19.9%, they will cause that excess to be taken up by sub-underwriters unrelated to them.

The Company also entered into an Underwriting Agreement on 18 December 2012 with Mr Paul Anthony Crawford and Mr Dennis Charles O'Neill jointly, who are Directors of the Company, pursuant to which they will, subject to shareholder approval (Resolutions 7 and 8), subscribe in equal proportions for Shares offered but not taken up under the Placement or under the Buckler and Maxwell Underwriting Agreement by 31 March 2013 (or a later date agreed between the Company and the Underwriters), up to a maximum aggregate value of \$500,000.

The purpose of the Underwriting Agreements is to ensure that the Company's placement capital raising raises sufficient funds to pursue its current strategy.

Director support for Placement

The Company's Directors, Mr Paul Anthony Crawford and Mr Dennis Charles O'Neill, subject to shareholder approval, have each agreed to subscribe for \$150,000 (Resolution 9) and \$200,000 (Resolution 10) Shares respectively via entities controlled by them, on the same terms and conditions as those offered under the Placement to non-related parties.

4. RESOLUTION 4: APPROVAL OF PLACEMENT TO SOPHISTICATED INVESTORS

4.1 Introduction

Pursuant to the Placement, the Company proposes to issue up to 825,000,000 Shares to Sophisticated and Professional Investors and overseas residents.

4.2 Why is the Placement being undertaken?

The purpose of the Placement is to enable the Company to fund its current exploration activities and its strategy to identify new projects of interest to the Company anywhere in the world, as well as to meet its corporate expenses. To this end, the Placement is being undertaken to raise capital by the issue of up to 825,000,000 Shares at \$0.002 each.

4.3 Why Shareholder approval is sought

ASX Listing Rule 7.1 provides that the prior approval of the Company's Shareholders is required for an issue of Equity Securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of those 12 months.

The Shares the Company proposes to issue pursuant to Resolutions in this notice exceed its 15% capacity. Accordingly, by Resolution 4, the Company seeks approval from Shareholders pursuant to Listing Rule 7.1 for the issue of the Placement Shares. By approving the issue of Placement Shares, the Company will also retain the capacity to issue securities in future up to the 15% threshold without the requirement to obtain Shareholder approval. This will give the Company the flexibility to raise capital on short notice in appropriate circumstances.

4.4 Additional disclosure required by the ASX Listing Rules

ASX Listing Rule 7.3 provides for disclosure of the following information in relation to the Placement Shares:

- (a) the maximum number of Placement Shares to be issued, is 825,000,000 Shares;
- (b) the Placement Shares will be issued as soon as practicable after this Meeting, but in any event, not later than 3 months after this Meeting;
- (c) the Placement Shares are issued at \$0.002 per Share;
- (d) the allottees of the Placement Shares are not currently known. It is intended that Placement Shares will be issued to Sophisticated and Professional Investors and Overseas Investors introduced to the Company by the Underwriters;
- (e) the Placement Shares rank equally with the Company's existing Shares on issue;
- (f) the funds raised will be applied by the Company to advance its exploration and project acquisition strategy and as working capital; and
- (g) allotment of the Placement Shares will occur progressively.

5. RESOLUTIONS 5, 6, 7 AND 8: ISSUE OF SHARES TO UNDERWRITERS

5.1 Introduction

As stated, the Underwriters have jointly underwritten the Placement up to \$2,000,000 under the Buckler and Maxwell Underwriting Agreement and the Crawford and O'Neill Underwriting Agreement.

Pursuant to both Underwriting Agreements, the Underwriters are jointly (in equal shares) entitled to a fee of 2.5% of the relevant Underwritten amount, to be paid by the issue of Shares at \$0.002 each, upon completion of the Placement.

5.2 Terms of Underwriting Agreements

The material terms of each of the Buckler and Maxwell Underwriting Agreement and the Crawford and O'Neill Underwriting Agreement, are in each case, as follows:

Table 1

Number of Shares to be issued if Underwriters' commitment is called upon:	Up to 1,000,000,000 Shares under between the two Underwriting Agreements, namely: a. under the Buckler and Smith Underwriting Agreement, up to: i. 375,000,000 Shares to Buckler; and ii. 375,000,000 Shares to Smith; and b. under the Crawford and O'Neill Underwriting Agreement, up to: i. 125,000,000 Shares to Crawford; and ii. 125,000,000 Shares to O'Neill.
Price:	\$0.002 per Share
Underwriting Fees:	2.5% of the underwritten amount, payable by the issue of 25,000,000 Shares, namely: a. under the Buckler and Smith Underwriting Agreement, up to: i. 9,375,000 Shares to Buckler; and ii. 9,375,000 Shares to Smith b. under the Crawford and O'Neill Underwriting Agreement, up to:

	i. 3,125,000 Shares to Crawford; and ii. 3,125,000 Shares to O'Neill.
Termination of Underwriting Agreements:	Each Underwriting Agreement may be terminated by the Underwriters if: a. the Company withdraws or terminates the Placement or if the Placement does not open by 30 April 2013; b. Shareholders do not approve the Placement or the issues of Shares to Underwriters as contemplated in the relevant Resolutions; c. ASX does not approve the reinstatement of the Shares in a manner satisfactory to the Underwriters; or d. the other Underwriting Agreement is terminated for one of the above reasons.

The terms of the Crawford and O'Neill Underwriting Agreement are the same as the Buckler and Smith Underwriting Agreement, except that:

- (a) the underwritten amount for the Buckler and Smith Underwriting Agreement is limited to \$1,500,000 whereas the underwritten amount for the Crawford and O'Neill Underwriting Agreement is limited to \$500,000; and
- (b) the commitment under the Crawford and O'Neill Underwriting Agreement will only be called upon to the extent that the Shortfall exceeds \$1,500,000.

5.3 Effect of Underwriting on voting power in the Company:

Table 2

Holder	Voting Power			
	Current	100% take-up of placement	50% take-up of placement	0% take-up of placement
Buckler	1.4%	0.6%	10.2%	19.9%
Smith	1.4%	0.6%	10.2%	19.9%
Crawford	5.1%	6.6%	6.5%	9.4%
O'Neill	1.4%	6.5%	6.5%	7.9%

Table 2 illustrates what effect the Underwriting Agreements will have on voting power in the Company where the Placement to Sophisticated Investors, Professional Investors and foreign investors is taken up in full, where only 50% of the Shares offered under the Placement are taken up and finally, where none are taken up and they are all issued to the Underwriters. If no shares are issued to Sophisticated Investors, Professional Investors or foreign investors under the Placement, the maximum voting power that Buckler and Smith will obtain after satisfaction of their commitments as joint underwriters is 19.9% each, while Crawford and O'Neil will each hold 9.4% and 7.9% respectively.

5.4 Why Shareholder approval is sought

- (a) *The Buckler and Smith Underwriting Agreement (Resolutions 5 and 6)*

ASX Listing Rule 7.1 provides that the prior approval of the Company's Shareholders is required for an issue of Equity Securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of those 12 months.

The Shares the Company proposes to issue pursuant to Resolutions in this notice collectively exceed its 15% capacity.

Accordingly, by Resolutions 5 and 6, the Company seeks approval from Shareholders pursuant to Listing Rule 7.1 for the issue of the Underwriting Fee Shares and in the event of a Shortfall, Shares pursuant to the joint Underwriters' commitment under the Buckler and Smith Underwriting Agreement

By approving the issue of Underwriting Fee Shares and the Shares pursuant to the Commitment, the Company will also retain the capacity to issue securities in future up to the 15% threshold without the requirement to obtain Shareholder approval. This will give the Company the flexibility to raise capital on short notice in appropriate circumstances.

- (b) *The Crawford and O'Neill Underwriting Agreement (Resolutions 7 and 8)*

Pursuant to Listing Rule 7.2 Exception 14, where approval is being sought from Shareholders pursuant to Listing Rule 10.11, no approval is required from Shareholders under Listing Rule 7.1. Listing Rule 10.11 provides that an entity must not permit any Director, or any associate of a Director, to acquire Equity Securities in the Company, without the prior approval of its ordinary shareholders.

The Company therefore seeks Shareholder approval for the purposes of Listing Rule 10.11, as the joint Underwriters, Paul Anthony Crawford and Dennis Charles O'Neill, are also Directors of the Company.

5.5 Additional disclosure required by the ASX Listing Rules

(a) *The Buckler and Smith Underwriting Agreement (Resolutions 5 and 6)*

ASX Listing Rule 7.3 provides for disclosure of the following information in relation to Resolutions 5 and 6:

- (i) the maximum number of Underwriting Shares to be issued is:
 - (A) Resolution 5: 9,375,000 Underwriter Fee Shares and 375,000,000 Underwriter Commitment Shares (totalling 384,375,000 Underwriting Shares);
 - (B) Resolution 6: 9,375,000 Underwriter Fee Shares and 375,000,000 Underwriter Commitment Shares (totalling 384,375,000 Underwriting Shares);
- (ii) the Underwriting Shares will be issued and allotted as soon as practicable after completion of the Placement, but in any event, not later than 3 months after this Meeting;
- (iii) the Underwriter Shares will be issued at \$0.002 per Share;
- (iv) the allottees of the Underwriting Shares are:
 - (A) Resolution 5: Allan Charles Buckler; and
 - (B) Resolution 6: Maxwell Terry Smith.
- (v) the Underwriting Shares will rank equally with the Company's existing Shares on issue; and
- (vi) the funds raised will be applied by the Company to advance its exploration and project acquisition strategy and as working capital.

(b) *The Crawford and O'Neill Underwriting Agreement (Resolutions 7 and 8)*

In accordance with Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 7 and 8:

- (i) the Underwriting Shares will be issued to:
 - (A) Resolution 7: Paul Anthony Crawford; and
 - (B) Resolution 8: Dennis Charles O'Neill.
- (ii) the maximum number of Underwriting Shares to be issued is:
 - (A) Resolution 7: 3,125,000 Underwriter Fee Shares and 125,000,000 Underwriter Commitment Shares (totalling 128,125,000 Underwriting Shares);
 - (B) Resolution 8: 3,125,000 Underwriter Fee Shares and 125,000,000 Underwriter Commitment Shares (totalling 128,125,000 Underwriting Shares);
- (iii) the Underwriting Shares will be issued and allotted within 1 month of the date of this Meeting;
- (iv) the Underwriting Shares are issued at \$0.002 per Share;
- (v) the Underwriting Shares rank equally with the Company's existing Shares on issue; and
- (vi) the funds raised will be applied by the Company to advance its exploration and project acquisition strategy and as working capital.

5.6 Directors' recommendations

The Directors recommend that Shareholders vote in favour of Resolutions 5 and 6.

Mr Paul Anthony Crawford and Mr Dennis Charles O'Neill have an interest in the subject matter of Resolutions 7 and 8 respectively and therefore make no recommendation in relation to them. The remaining Directors recommend that Shareholders vote in favour of Resolutions 7 and 8.

9. RESOLUTION 9: APPROVAL OF ISSUE OF SHARES BY WAY OF PLACEMENT TO PAUL ANTHONY CRAWFORD AND ROBYN LYNELLE CRAWFORD AS TRUSTEES FOR THE KURATYN SUPERANNUATION

9.1 Introduction

Pursuant to Resolution 9, the Company proposes to issue Shares to an entity controlled by its Director, Mr Paul Anthony Crawford. The background to Resolution 9 is discussed above.

9.2 Why are the Shares being issued?

There is not presently a liquid market for the Company's Shares. In order to secure support from investors and Underwriters for the Placement, the Mr Crawford has elected to acquire Shares and help recapitalise the Company.

9.3 Why is shareholder approval required?

ASX Listing Rule 7.1 provides that the prior approval of the Company's Shareholders is required for an issue of Equity Securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of those 12 months.

However, pursuant to Listing Rule 7.2 Exception 14, where approval is being sought from Shareholders pursuant to Listing Rule 10.11, as in the case of Resolution 9, no approval is required from Shareholders under Listing Rule 7.1.

Listing Rule 10.11 provides that an entity must not permit any Director, or any associate of a Director, to acquire Equity Securities in the Company, without the prior approval of its ordinary shareholders. The Company therefore seeks Shareholder approval for the purposes of Listing Rule 10.11.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting requesting shareholder approval under Listing Rule 10.13. In accordance with Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolution 9:

- (a) the Shares will be issued to Paul Anthony Crawford and Robyn Lynelle Crawford as Trustees for the Kuratyn Superannuation Fund;
- (b) the maximum number of Shares to be issued is 75,000,000 Shares;
- (c) the Shares will be issued and allotted within 1 month of the date of this Meeting;
- (d) the Shares are issued at \$0.002 per Share;
- (e) the Shares rank equally with the Company's existing Shares on issue; and
- (f) the funds raised will be applied by the Company to advance its exploration and project acquisition strategy and as working capital.

9.4 Directors' interests and recommendations

As an associate of the recipients of Shares, Mr Paul Anthony Crawford has an interest in the subject matter of Resolution 9 and therefore makes no recommendation in relation to them. The remaining Directors recommend that Shareholders vote in favour of Resolution 9.

10. RESOLUTION 10: APPROVAL OF ISSUE OF SHARES BY WAY OF PLACEMENT TO EM ENTERPRISES QLD PTY LTD AS TRUSTEE FOR THE SHERWOOD SUPERANNUATION FUND

10.1 Introduction

Pursuant to Resolution 10, the Company proposes to issue Shares to an entity controlled by its Director, Mr Dennis Charles O'Neill. The background to Resolution 10 is discussed above.

10.2 Why are the Shares being issued?

There is not presently a liquid market for the Company's Shares. In order to secure support from investors and Underwriters for the Placement, the Mr O'Neill has elected to acquire Shares and help recapitalise the Company.

10.3 Why is shareholder approval required?

ASX Listing Rule 7.1 provides that the prior approval of the Company's Shareholders is required for an issue of Equity Securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of those 12 months.

However, pursuant to Listing Rule 7.2 Exception 14, where approval is being sought from Shareholders pursuant to Listing Rule 10.11, as in the case of Resolution 10, no approval is required from Shareholders under Listing Rule 7.1.

Listing Rule 10.11 provides that an entity must not permit any Director, or any associate of a Director, to acquire Equity Securities in the Company, without the prior approval of its ordinary shareholders. The Company therefore seeks Shareholder approval for the purposes of Listing Rule 10.11.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting requesting shareholder approval under Listing Rule 10.13. In accordance with Listing Rule 10.13, the following information is provided to Shareholders in relation to the Resolution 10:

- (a) the Shares will be issued to EM Enterprises Qld Pty Ltd as Trustee for the Sherwood Superannuation Fund;
- (b) the maximum number of Shares to be issued is 100,000,000 Shares;
- (c) the Shares will be issued and allotted within 1 month of the date of this Meeting;
- (d) the Shares are issued at \$0.002 per Share;
- (e) the Shares rank equally with the Company's existing Shares on issue; and

- (f) the funds raised will be applied by the Company to advance its exploration and project acquisition strategy and as working capital.

10.4 Directors' interests and recommendations

As an associate of the recipient of Shares, Mr Dennis Charles O'Neill has an interest in the subject matter of Resolution 10 and therefore makes no recommendation in relation to them. The remaining Directors recommend that Shareholders vote in favour of Resolution 10.

11. RESOLUTION 11: CHANGE OF THE COMPANY'S NAME TO SAYONA MINING LIMITED

11.1 Background

The Directors are seeking approval for the Company to change its company name from "DiamonEx Limited" to "Sayona Mining Limited".

Pursuant to section 157(1)(a) of the Corporations Act, the Company may change its company name by special resolution.

The change of name will not affect the legal status of the Company or any of its assets or liabilities.

11.2 Directors' recommendations

The Directors recommend that Shareholders vote in favour of Resolution 11.

For further information

If you need any further information about this form or attendance at the Company's Annual General Meeting, please contact Paul Crawford, Company Secretary, on (07) 3720 8944.

Glossary

In this Explanatory Statement and the Notice of Meeting:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and includes any successor body.

Board means the Company's board of Directors.

Buckler means Mr Allan Charles Buckler.

Buckler and Smith Underwriting Agreement means the underwriting agreement dated 18 December 2012 between the Company and Buckler and Smith jointly, the subject of Resolutions 5 and 6.

Company or **DiamonEx** means DiamonEx Limited ACN 091 951 978.

Constitution means the constitution of the Company.

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

Crawford means Mr Paul Anthony Crawford.

Crawford and O'Neill Underwriting Agreement means the underwriting agreement dated 18 December 2012 between the Company and Crawford and O'Neill jointly, the subject of Resolutions 7 and 8.

Director(s) means a current director of the Company.

Explanatory Statement means this explanatory statement that accompanies and forms part of the Notice of Meeting.

Equity Security has the meaning given in the ASX Listing Rules.

Joint Venture means the joint venture between the Company and Azimuh Investments (Pty) Ltd.

Listing Rules means the Listing Rules of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Meeting or **Annual General Meeting** means the annual general meeting the subject of this Notice of Meeting.

Notice of Meeting means this notice of annual general meeting which this Explanatory Statement accompanies and in which the Resolutions are set out.

O'Neill means Mr Dennis Charles O'Neill

Placement means the placement of shares pursuant to Resolution 4.

Placement Shares means the shares to be issued under Resolution 4.

Professional Investors has the meaning given in the Corporations Act.

Prospecting Licences means Batswana Prospecting Licences PL 204/2012 and PL 205/2012.

Resolution means the resolutions in the Notice of Meeting.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Smith means Mr Maxwell Terry Smith.

Sophisticated Investors has meaning given in the Corporations Act.

Shortfall means the number of Shares offered but not taken up by Sophisticated, Professional or overseas Investors under the Placement.

Underwriters mean Buckler and Smith jointly under the Buckler and Smith Underwriting Agreement and Crawford and O'Neill under the Crawford and O'Neill Underwriting Agreement, or any one or more of them, as the context indicates.

Underwriting Agreements means the Buckler and Smith Underwriting Agreement and the Crawford and O'Neill Underwriting Agreement or any one or more of them, as the context indicates.

Underwriting Commitment Shares means the Shares that must be issued pursuant to the Underwriting Agreements to the extent that the Underwriters' commitments under the Underwriting Agreements are called upon by the Company.

Underwriting Fee Shares means the Shares the Company must issue to the Underwriters pursuant to the Underwriting Agreements as a fee for providing the underwriting.

Underwriting Shares means the Underwriting Commitment Shares and the Underwriting Fee Shares.



DIAMONEX Limited

ABN 26 091 951 978

000001 000 DON
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 552 270
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 10:00am (Brisbane time) Wednesday 3 April 2013

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com



Review your securityholding



Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of DiamonEx Limited hereby appoint

☐

the Chairman
of the Meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman 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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of DiamonEx Limited to be held on Level 1, 349 Coronation Drive, Milton, Queensland on Friday 5 April 2013 at 10:00am (Brisbane time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (Adoption of Remuneration Report) (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
1	Adoption of Remuneration Report	☐	☐	☐	8	Issue of Shares to Dennis Charles O'Neill under the Crawford and O'Neill Underwriting Agreement	☐	☐	☐
2	Re-election of Peter McClean Van Riet-Lowe as a Director	☐	☐	☐	9	Approval of Issue of Shares by way of Placement to Paul Anthony Crawford and Robyn Lynelle Crawford as Trustees for the Kuratyn Superannuation Fund	☐	☐	☐
3	Re-election of Wayne John Osterberg as a Director	☐	☐	☐	10	Approval of Issue of Shares by way of Placement to EM Enterprises QLD Pty Ltd as Trustee for the Sherwood Superannuation Fund	☐	☐	☐
4	Approval of Placement to Sophisticated Investors	☐	☐	☐	11	Change of the Company's name to Sayona Mining Limited	☐	☐	☐
5	Issue of Shares to Allan Charles Buckler under the Buckler and Smith Underwriting Agreement	☐	☐	☐					
6	Issue of Shares to Maxwell Terry Smith under the Buckler and Smith Underwriting Agreement	☐	☐	☐					
7	Issue of Shares to Paul Anthony Crawford under the Crawford and O'Neill Underwriting Agreement	☐	☐	☐					

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date

DON

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Computershare +