



DART MINING NL

ABN 84 119 904 880

NOTICE OF ANNUAL GENERAL MEETING and EXPLANATORY MEMORANDUM

DATE AND TIME OF MEETING:

**Wednesday, 19 October 2011
at 10.00am (Melbourne time)**

PLACE OF MEETING:

**Morgan @ 401
401 Collins Street
MELBOURNE, VICTORIA 3000**

This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (03) 9621 1299.



DART MINING NL

ABN 84 119 904 880

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of Dart Mining NL ("**Company**") will be held at Morgan @ 401, 401 Collins Street, Melbourne, Victoria on Wednesday, 19 October 2011 at 10.00am (Melbourne Time).

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes the various matters to be considered and contains a glossary of defined terms used in this Notice of Meeting.

AGENDA

ORDINARY BUSINESS

1. FINANCIAL STATEMENTS

To consider and receive the Company's Financial Report, Directors' Report and the Auditor's Report on the Financial Report, for the year ended 30 June 2011.

2. RESOLUTIONS 1 & 2: RE-ELECTION OF DIRECTORS

To consider and, if thought fit, to pass, as **separate ordinary resolutions**:

- (1) **THAT** Mr Christopher John Bain, who retires in accordance with the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director.
- (2) **THAT** Mr Richard Glenn Udovenya, who retires in accordance with the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director.

3. RESOLUTION 3: REMUNERATION REPORT

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

THAT the Remuneration Report of the Company for the year ended 30 June 2011 is adopted.

Voting Prohibition Statement

A vote on **Resolution 3** must not be cast (in any capacity) by or on behalf of any of the following persons:

- a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or
- a closely related party of such a member.

However, a person described above may cast a vote on the resolution if:

- the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- the vote is not cast on behalf of a person described in the two bullet points in the paragraph above.

Shareholders who intend to the appoint the Company's Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes on Resolutions 3, 6, 7, 8 and 9".

SPECIAL BUSINESS

4. RESOLUTION 4: RATIFICATION OF PRIOR GRANT OF OPTIONS (DECEMBER 2010)

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

THAT, for the purpose of Australian Securities Exchange Listing Rule 7.4 and for all other purposes, the grant on 17 December 2010 of 7,692,308 options to subscribe for fully paid

ordinary shares in the Company exercisable at \$0.10 each with an expiry date of 31 December 2011 to the grantees described in the Explanatory Memorandum to this Notice of Meeting, be and is hereby ratified and approved.

Voting exclusion

The Company will, in accordance with Listing Rule 14.11, disregard any votes cast in respect of **Resolution 4** by the persons who received the options the subject of this resolution and their respective associates.

However, the Company need not disregard a vote cast on the resolution 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.

5. RESOLUTION 5: RATIFICATION OF PRIOR SHARE ISSUE (AUGUST 2011)

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

THAT, for the purpose of Australian Securities Exchange Listing Rule 7.4 and for all other purposes, the issue of 10,000,000 fully paid ordinary shares to the allottees described in the Explanatory Memorandum to this Notice of Meeting on 29 August 2011 that were paid in full to A\$0.055 each on application, be and is hereby ratified and approved.

Voting exclusion

The Company will, in accordance with Listing Rule 14.11, disregard any votes cast in respect of **Resolution 5** by the persons who participated in the issue the subject of this resolution and their respective associates.

However, the Company need not disregard a vote cast on the resolution 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.

6. RESOLUTION 6: ADOPTION OF DART MINING NL INCENTIVE RIGHTS PLAN

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

THAT, for the purposes of Listing Rule 7.2, Exception 9(b) and for all other purposes, the incentive rights plan of the Company known as the “Dart Mining NL Incentive Rights Plan” (the “Plan”), a summary of which is set out in the Explanatory Memorandum accompanying this Notice of Meeting, and the grant of Incentive Rights and the issue of shares thereunder, be and are hereby approved as an exception to Listing Rule 7.1.

Voting Prohibition for the purposes of the Corporations Act and Exclusion Statement for the purposes of the Listing Rules

In accordance with the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on **Resolution 6** if:

- the proxy is either:
 - a member of the key management personnel for the Company; or
 - a closely related party of a member of the key management personnel for the Company; and
- the appointment does not specify the way the proxy is to vote on Resolution 6.

However, the above prohibition does not apply if:

- the proxy is the chair of the meeting; and
- the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

The Company will, in accordance with Listing Rule 14.11 disregard any votes cast in respect of **Resolution 6** by any director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those persons.

However, the Company need not disregard a vote cast on the resolution 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.

Shareholders who intend to appoint the Company's Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading “Important information concerning proxy votes on Resolutions 3, 6, 7, 8 and 9”.

7. RESOLUTION 7: APPROVAL OF TERMINATION BENEFITS UNDER THE PLAN FOR THE PURPOSES OF THE CORPORATIONS ACT AND THE LISTING RULES

Subject to resolution 6 being approved, to consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

THAT:

- (a) for the purposes of sections 200B and 200E of the *Corporations Act 2001* (Cth) and for all other purposes, the giving of benefits under the Plan in connection with a person's retirement from an office or cessation of employment in the Company or a related body corporate of the Company; and
- (b) for the purposes of ASX Listing Rule 10.19, the entitlement or potential entitlement of any officer of the Company or its child entities (being any entity which is controlled by the Company within the meaning of section 50AA of the Corporations Act or a subsidiary of the Company) to termination benefits under the Plan,

be and are hereby approved.

Voting Prohibition for the purposes of the Corporations Act and Exclusion Statement for the purposes of the Listing Rules

In accordance with the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on **Resolution 7** if:

- the proxy is either:
 - a member of the key management personnel for the Company; or
 - a closely related party of a member of the key management personnel for the Company; and
- the appointment does not specify the way the proxy is to vote on Resolution 7.

However, the above prohibition does not apply if:

- the proxy is the chair of the meeting; and
- the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

The Company will, in accordance with the Corporations Act 2001 (Cth), disregard any votes cast in respect of **Resolution 7** by shareholders who are employees of the Company or its related bodies corporate (and their associates) given that they may be, or may become, managerial or executive officers in the future, other than as proxy appointed in writing by a person entitled to vote where it is specified how the proxy is to vote on the resolution.

The Company will, in accordance with Listing Rule 14.11, disregard any votes cast in respect of **Resolution 7** by an officer of the Company and any of its child entities who is entitled to participate in a termination benefit (and their associates).

However, the Company will not disregard a vote cast on Resolution 7 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 a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Shareholders who intend to appoint the Company's Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes on Resolutions 3, 6, 7, 8 and 9".

8. RESOLUTION 8: APPROVAL OF ISSUE OF INCENTIVE RIGHTS TO MR LINDSAY WARD

Subject to Resolution 6 being approved, to consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

THAT, for the purposes of Listing Rule 10.14 and for all other purposes, the issue of Incentive Rights under the Plan to Mr Lindsay Ward on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting, be and is hereby approved.

Voting Prohibition for the purposes of the Corporations Act and Exclusion Statement for the purposes of the Listing Rules

In accordance with the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on **Resolution 8** if:

- the proxy is either:
 - a member of the key management personnel for the Company; or
 - a closely related party of a member of the key management personnel for the Company; and
- the appointment does not specify the way the proxy is to vote on Resolution 8.

However, the above prohibition does not apply if:

- the proxy is the Chair of the meeting; and
- the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

The Company will, in accordance with Listing Rule 14.11 disregard any votes cast in respect of **Resolution 8** by any director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those persons.

However, the Company need not disregard a vote cast on the resolution 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.

Shareholders who intend to the appoint the Company's Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes on Resolutions 3, 6, 7, 8 and 9".

9. **RESOLUTION 9: APPROVAL OF TERMINATION BENEFITS FOR MR LINDSAY WARD UNDER THE PLAN FOR THE PURPOSES OF THE CORPORATIONS ACT AND THE LISTING RULES**

Subject to Resolution 8 being approved, to consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

THAT:

- (a) for the purposes of sections 200B and 200E of the *Corporations Act 2001* (Cth) and for all other purposes, the giving of benefits under the Plan to Mr Lindsay Ward or his associates in connection with his retirement from an office or cessation of employment in the Company or a related body corporate of the Company; and
- (b) the entitlement or potential entitlement of Mr Lindsay Ward to termination benefits under the Plan for the purposes of ASX Listing Rule 10.19,

be and are hereby approved.

Voting Prohibition for the purposes of the Corporations Act and Exclusion Statement for the purposes of the Listing Rules

In accordance with the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on **Resolution 9** if:

- the proxy is either:
 - a member of the key management personnel for the Company; or
 - a closely related party of a member of the key management personnel for the Company; and
- the appointment does not specify the way the proxy is to vote on Resolution 9.

However, the above prohibition does not apply if:

- the proxy is the Chair of the meeting; and
- the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

The Company will, in accordance with the Corporations Act 2001 (Cth), disregard any votes cast in respect of **Resolution 9** by Mr Lindsay Ward (and his associates), other than as a proxy appointed in writing for a person entitled to vote where it is specified how the proxy is to vote on the resolution.

The Company will, in accordance with Listing Rule 14.11, disregard any votes cast in respect of **Resolution 9** by an officer of the Company and any of its child entities who is entitled to participate in a termination benefit (and their associates). However, the Company will not disregard a vote cast on Resolution 9 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 a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Shareholders who intend to the appoint the Company's Chairman as proxy (including an appointment by default) should have regard to the important information below under the heading "Important information concerning proxy votes on Resolutions 3, 6, 7, 8 and 9".

10. **RESOLUTION 10: APPROVAL TO GRANT NEW OPTIONS**

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

THAT, for the purposes of Australian Securities Exchange Listing Rule 7.1 and for all other purposes, approval is given to the Directors to the grant and issue of up to 10,000,000 options to subscribe for fully paid shares in the capital of the Company each at an exercise price of fifteen cents (\$0.15) and with an expiry date of 31 December 2013 ("New Options"), provided that the New Options are issued within 3 months of the date of the General Meeting at which this resolution is approved and otherwise on the terms and conditions as set out in the Explanatory Memorandum accompanying this Notice of Meeting.

Voting exclusion

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast in respect of **Resolution 10** by any person who may receive a grant of New Options or who might obtain a benefit if Resolution 10 is passed other than in their capacity as a holder of ordinary shares, and their respective associates.

However, the Company will not disregard a vote cast on Resolution 10 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 a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

11. RESOLUTION 11: APPOINTMENT OF AUDITOR

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

THAT, subject to Australian Securities and Investments Commission consenting to the resignation of Deloitte, MSI Ragg Weir, Chartered Accountants, be appointed as the auditor of the Company.

PROXY NOTES

New sections 250BB and 250BC of the *Corporations Act 2001* (Cth) ("Corporations Act") took effect on 1 August 2011 and apply to voting by proxy on or after 1 August 2011 (whether or not the proxy was appointed before, on or after that date). Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

You should seek professional advice if you need any further information on this issue.

In accordance with section 249L of the Corporations Act, members are advised:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is 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.

In accordance with section 250BA of the Corporations Act, the Company specifies the following for the purposes of receipt of proxy appointments:

Street Address:

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Postal Address:

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Facsimile number: +61 2 9287 0309

Online: at Link Market Service's website www.linkmarketservices.com.au in accordance with the instructions given there (you will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website).

Each member entitled to vote at the Annual General Meeting has the right to appoint a proxy to vote on the resolution to be considered at the meeting. The member may specify the way in which the appointed proxy is to vote on a particular resolution or may allow the appointed proxy to vote at its discretion. The instrument appointing the proxy must be received by the Company as provided in its Constitution not later than 48 hours before the time of the commencement of the Annual General Meeting.

For the purposes of Regulation 7.11.37 of the *Corporations Regulations* the Company determines that members holding Shares at 7.00 pm (Melbourne time) on Monday, 17 October 2011 will be entitled to attend and vote at the Annual General Meeting.

If the appointment is signed by an attorney, the power of attorney or a certified copy of it must be sent with the Proxy Form. If you have multiple holdings, please complete a Proxy Form for each holding.

A Proxy Form accompanies this Notice of Annual General Meeting.

Important information concerning proxy votes for resolutions 3, 6, 7, 8 and 9

The Corporations Act now places certain restrictions on the ability of key management personnel and their closely related parties to vote on the advisory resolution to adopt the Company's remuneration report and resolutions connected directly or indirectly with the remuneration of the Company's key management personnel. Key management personnel of the Company are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year ended 30 June 2011. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

For these reasons, shareholders who intend to vote by proxy should carefully consider the identity of their proxy and are encouraged to direct their proxy as to how to vote on all resolutions. In particular, shareholders who intend to appoint the Company's Chairman as their proxy (including an appointment by default) are encouraged to direct the Chairman as to how to vote on all resolutions.

Undirected proxies for resolution 3 will not be voted.

If you do appoint the Chairman as your proxy but you do not direct the Chairman how to vote in respect of any of Resolutions 6, 7, 8 or 9, then you must mark the box indicated on the proxy form if you wish the Chairman to exercise your proxy vote in respect of those resolutions. Marking this box will constitute an express authorisation by you directing the Chairman to vote your proxy in favour of all of Resolutions 6, 7, 8 and 9 (unless you have exercised your right to direct the Chairman otherwise in respect of a particular Resolution by marking the 'against' column in respect of any of the relevant resolutions). This express authorisation acknowledges that the Chairman may vote your proxy even if he or she has an interest in the outcome of Resolutions 6, 7, 8 or 9 and that votes cast by the Chairman for those resolutions, other than an authorised 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 Chairman will not cast your votes on Resolutions 6, 7, 8 or 9 and your votes will not be counted in calculating the required majority if a poll is called.

BODIES CORPORATE

A body corporate may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at meetings of the members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise on the body corporate's behalf all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The attached Proxy Form forms part of this notice. Please call 03 9621 1299 if you have any questions regarding this Notice of Meeting, the Proxy Form or the Explanatory Memorandum.

By Order of the Board

Andrew Draffin
Company Secretary
5 September 2011

DART MINING NL

ABN 84 119 904 880

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of Dart Mining NL ("Company") in connection with the business to be conducted at the Company's Annual General Meeting to be held at Morgan @ 401, 401 Collins Street, Melbourne, Victoria on Wednesday, 19 October 2011 at 10.00am (Melbourne time).

All of the resolutions to be voted on are ordinary resolutions. Ordinary resolutions require a simple majority of votes cast by shareholders entitled to vote on the resolution.

This Explanatory Memorandum is an important document and should be read carefully in its entirety by all shareholders, and in conjunction with the accompanying Notice of Meeting. Shareholders are strongly advised to consult their legal or financial advisers if they require further advice in connection with the matters contained in this Explanatory Memorandum.

EXPLANATORY NOTES TO THE RESOLUTIONS

ORDINARY BUSINESS – ITEM 1

The Company's Financial Statements and Reports and Shareholder Questions

The Corporations Act requires the Company to lay its Financial Report, Directors' Report and Auditor's Report for the last financial year before the Annual General Meeting. No resolution is required for this item, but shareholders will be given the opportunity to ask questions and to make comments on the reports and the management of the Company.

The Company's Auditor will also be present at the meeting and shareholders will be given the opportunity to ask the Auditor questions including about the conduct of the audit, the preparation and content of the Auditor's report, the accounting policies adopted by the Company and the independence of the Auditor.

The Company's Annual Report 2011 is available on its website: www.dartmining.com.au

ORDINARY BUSINESS – ITEM 2 (a) and 2(b) (Resolutions 1 and 2)

Re-Election of Directors

Items 2(a) and 2(b) on the agenda seek approval for the re-election of both Mr Christopher Bain and Mr Richard Udovenya who are retiring by rotation under Rule 62(1) of the Company's Constitution. This Rule states that "*Subject to the Listing Rules and Article 66(7), at each Annual General Meeting one-third of the Directors or, if their number is not a multiple of three, then the number nearest to but not more than one-third of the Directors must retire from office*".

Mr Bain and Mr Udovenya are eligible for re-election under Rule 62(5) of the Company's Constitution and each offers himself for re-election as a Director of the Company.

The Board (other than Mr Bain who has an interest in resolution 1) recommends the re-election of Mr Bain.

The Board (other than Mr Udovenya who has an interest in resolution 2) recommends the re-election of Mr Udovenya.

Mr Christopher John Bain

Chairman, appointed 26 May 2006, aged 58

Chris Bain is a geologist and mineral economist. He has over 30 years experience in resources having worked in underground mine geology in Mt Isa and Tasmania and exploration around Broken Hill. Since joining the finance sector he has been instrumental in mining project divestitures and acquisitions, evaluations and valuations, capital raisings including several initial public offerings and ASX listings. Chris is currently Chief Investment Officer of Phillip Resources Fund and a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Company Directors.

Mr Bain was appointed on 26 May 2006 as Chairman and was interim Chief Executive Officer from 1 June 2010 to 30 April 2011. He is also a member of the Audit and Risk Management Committee. He is due to retire from the Board in accordance with the Company's Constitution and being eligible, has offered himself for re-election.

Mr Richard Glenn Udovenya
Non-Executive Director, appointed 15 June 2006, aged 50

Richard Udovenya is a member of the law firm ResourcesLaw International, the legal advisers to Dart Mining NL. He has over 25 years' legal experience in Australia and New Zealand and holds a Bachelor of Laws, a Bachelor of Commerce and a Graduate Diploma in Applied Finance and Investment (SIA). Richard is also a Fellow of the Financial Services Institute of Australia and a Member of both the Australasian Institute of Mining and Metallurgy and the Australian Institute of Company Directors. Richard's focus is in the corporate, corporate governance and commercial law areas. He is a director of, and legal advisor to, a number of Australian and international companies, and has advised, and continues to advise, on resource projects in Australia, Africa and South America.

Mr Udovenya was appointed on 15 June 2006 as a non-executive Director. He is due to retire from the Board in accordance with the Company's Constitution and being eligible, has offered himself for re-election.

ORDINARY BUSINESS - ITEM 3 (Resolution 3)

Remuneration Report

The Annual Report for the year ended 30 June 2011 contains a Remuneration Report which sets out the remuneration policy for the Group and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors. A copy of the report is set out on pages 7-10 of the Company's Financial Report for the year ended 30 June 2011 and can also be found on the Company website at www.dartmining.com.au

Under the provisions of the Corporations Act and subject to the qualifications in the paragraph below, the shareholder vote is advisory only and will not require the Company to alter any arrangements detailed in the Remuneration Report, should the resolution not be passed. Notwithstanding the legislative effect of this requirement, the Board has determined that it will take the outcome of the vote into consideration when considering the remuneration policy.

In addition, the Corporations Act has recently been amended so that, if a company's remuneration report receives a 'no' vote of 25 per cent or more at two consecutive annual general meetings, a resolution must then be put to shareholders at the second annual general meeting as to whether another meeting should be held (within 90 days) at which all directors (other than the managing director) who were in office at the date of approval of the applicable directors' report must stand for re-election. So, in summary, while the shareholder vote on a Remuneration Report is advisory in respect of that Remuneration Report, shareholders will be entitled to vote in favour of holding a general meeting to re-elect the board if the Remuneration Report receives "2 strikes".

Please note that, having regard to amendments recently made to s.250R of the Corporations Act, if a Shareholder provides an undirected proxy (that is, that Shareholder does not direct a named proxy on how to vote) on this Resolution 3, that Shareholder's votes will not be counted. Shareholders are therefore encouraged to direct the Chairman how to vote.

Shareholders will be given the opportunity to ask questions and to make comments on the Remuneration Report.

SPECIAL BUSINESS - ITEM 4 (Resolution 4): *Ratification of Prior Grant of Options (December 2010)*

Background

At the Company's Annual General Meeting held on 26 November 2010, Shareholders approved the issue of as many new fully paid ordinary shares in the Company as was needed to raise up to A\$5,000,000. In the course of undertaking a placement with accordance with that authority, the Company also granted 7,692,308 free options to subscribe for fully paid ordinary shares in the Company, exercisable at \$0.10 each. The expiry date of the options is 31 December 2011. That grant of options was made in terms of ASX Listing Rule 7.1, to sophisticated and professional investors.

Resolution 4 seeks shareholder ratification for the grant on 17 December 2010 of 7,692,308 options, which, together with any ratification of shareholders of **Resolution 5**, will have the effect of “refreshing” the Company’s 15% limit for the issue of securities under the ASX Listing Rules. Not only will this approval give the Company the capacity to raise additional capital (to the 15% limit) without the need for shareholder approval, it provides the benefit of giving the Company flexibility in its funding endeavours.

Intended Use of Funds

The options are free options, each exercisable at a price of \$0.10. The expiry date of the options is 31 December 2011. If exercised, net proceeds of A\$769,230 (approximately) will be applied towards the Company’s exploration expenditure and general working capital requirements.

RESOLUTION 4: *Specific information required by ASX Listing Rule 7.5*

For the purposes of ASX Listing Rule 7.5 the following information is provided in relation to the share issue described in **Resolution 4**:

- (a) 7,692,308 free options to subscribe for fully paid ordinary shares exercisable at \$0.10 each were issued and allotted on 17 December 2010;
- (b) the exercise price of those options is A\$0.10 each. The expiry date of the options is 31 December 2011;
- (c) the exercise of those options will result in shares being issued which will be fully paid ordinary shares in the Company;
- (d) those options were issued to clients of Patersons Securities Limited comprising sophisticated and professional investors of the kind contemplated by section 708 of the Corporations Act; and
- (e) the funds raised from the exercise (if any) of those options will be used by the Company for its exploration expenditure requirements and general working capital.

A voting exclusion statement is set out in the Notice of Annual General Meeting which this Explanatory Memorandum accompanies.

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

SPECIAL BUSINESS - ITEM 5 (Resolution 5): *Ratification of Prior Share Issue (August 2011)*

Background

On 29 August 2011, the Company announced that it had successfully completed a share placement (**Placement**) of 10,000,000 fully paid ordinary shares to sophisticated and professional investors, at an issue price of A\$0.055 per share, raising A\$550,000.

Resolution 5 seeks shareholder ratification for the allotment and issue on 29 August 2011 of 10,000,000 shares which, together with any ratification of shareholders of **Resolution 4**, will have the effect of “refreshing” the Company’s 15% limit for the issue of securities under the ASX Listing Rules. Not only will this approval give the Company the capacity to raise additional capital (to the 15% limit) without the need for shareholder approval, it provides the benefit of giving the Company flexibility in its funding endeavours.

Intended Use of Funds

The net proceeds of the Placement of A\$550,000 (approximately) will be applied towards the Company’s proposed molybdenum-copper porphyry exploration program and general working capital requirements.

RESOLUTION 5: *Specific information required by ASX Listing Rule 7.5*

For the purposes of ASX Listing Rule 7.5 the following information is provided in relation to the share issue described in **Resolution 5**:

- (f) 10,000,000 fully paid ordinary shares were issued and allotted on 29 August 2011;
- (g) the issue price of those shares is A\$0.055 each;
- (h) the shares issued are fully paid ordinary shares in the Company;
- (i) the shares were issued to sophisticated and professional investors of the kind contemplated by section 708 of the Corporations Act; and

- (j) the funds raised from the share issue will be used by the Company is for its exploration expenditure requirements and general working capital.

A voting exclusion statement is set out in the Notice of Annual General Meeting which this Explanatory Memorandum accompanies.

The Directors unanimously recommend Shareholders vote in favour of Resolution 5.

SPECIAL BUSINESS - ITEM 6 (Resolution 6): *Adoption of Dart Mining NL Incentive Rights Plan*

Since 2007 the Company has been engaged in exploration activities in North East Victoria, resulting in the discovery of the Unicorn Mo-Cu-Ag prospect. As the Company moves from its maiden JORC Resource estimate through the process of scoping and feasibility studies it will be necessary for the Company to recruit and retain the services of an experienced management team and key operational staff, and accordingly the Board has decided to implement a new structured incentive-based long term incentive scheme that enhances the remuneration framework within which future remuneration rewards are set.

Expectations of stakeholders and markets are that the Company's remuneration framework provides for competitive and appropriate remuneration so as to retain and motivate skilled and qualified personnel whose personal rewards are aligned with the achievement of the Company's objectives.

The Board is proposing the adoption of the "*Dart Mining NL Incentive Rights Plan*" (the "**Plan**"), to more closely align rewards for performance with the achievement of the Company's growth and strategic objectives for 2011 and beyond.

An Incentive Right is a right to be issued a Share which may be conditional upon satisfaction of certain performance and incentive conditions and the expiry of any vesting period determined by the Board. The adoption of the Plan is consistent with the current trend in the Company's Australian industry peer group to replace employee share option plans with incentive or performance rights plans.

The Plan provides for the issue of such Incentive Rights.

Listing Rule 7.1 provides that a company must not, subject to certain expectations, issue or agree to issue during any 12 month period ordinary shares representing 15% or more of the number of ordinary shares on issue at the commencement of that 12 month period. The Company wishes to exempt the issue of securities under the Plan from contributing towards the 15% limit by obtaining shareholder approval of the Plan under ASX Listing Rule 7.2, Exception 9(b). The exemption will last for a period of three years from the date of the shareholder approval.

In the absence of approval under Listing Rule 7.2, Exception 9(b), grants under the Plan can still occur but are counted as part of the 15% limit which would otherwise apply during a 12 month period.

No securities have been issued under the Plan and the Plan has not previously been approved by Shareholders.

A copy of the full terms and conditions of the Plan can be obtained by contacting the Company Secretary and will be posted to the Company's website at www.dartmining.com.au.

Reasons for the Plan

Incentive-linked equity plans are widely considered to be a very effective means of providing incentives to staff while aligning potential incentive outcomes with the interests of shareholders. They are also recognised as being an effective means of attracting and retaining staff by providing them with the opportunity to enhance their personal financial assets, though participating in the Company's performance on a basis that is 'at risk' to their personal contribution.

The Board believes that the grant of Incentive Rights under the Plan to eligible participants will underpin the employment strategy of attracting and retaining high calibre staff capable of executing the Company's strategic plans. Additionally, the Plan will assist in the retention of key management and operational staff and enhance the Company's ability to attract quality staff in the future who otherwise may not choose to work for a small ASX listed company. The Plan will also link the rewards of key staff with the achievement of strategic goals and the long term performance objectives of the Company, and provide incentives to participants in the Plan to deliver superior performance that creates Shareholder value.

How the Plan Works

The initial participants in the Plan will be the Managing Director, his direct reports and selected senior managers within the Company. No Directors will initially participate in the Plan other than the Managing Director, Mr Lindsay Ward, whose participation is the subject of Resolution 8. If a Director was to participate, shareholder approval will be required.

Under the terms of the Plan, the Board has absolute discretion to determine the expiry date, vesting conditions and any exercise price of any grants made under the Incentive Plan, without the requirement for further Shareholder approval. While the specifics of any such conditions will be driven by the status of the Company at the time of issue and the key duties and responsibilities of the participant, the Board intends to design them to facilitate continued employment, delivery of the Company's strategic milestones and "out performance" judged against a range of specified factors.

Summary of the Features of the Plan

The following is a summary of the key terms of the Plan, which is qualified in its entirety by the rules of the Plan:

- (a) *Participation:* The Plan is available to Eligible Participants, as defined below, of Dart Mining NL and its related bodies corporate, as such term is defined in the Corporations Act (collectively, the "**Group**" and each a "**Group Member**"). Eligible Participants consist of "Eligible Employees" and "Eligible Contractors". Eligible Employees are full and part-time employees or directors of a Group Member who hold salaried employment or office in a Group Member. An Eligible Contractor is, in summary, an individual, or wholly owned company of an individual, that has performed work for a Group Member for more than 12 months and received 80% or more of its income from a Group Member.
- (b) *Maximum Number Issuable:* An invitation to apply for Incentive Rights will not be made where the grant of Incentive Rights contemplated by the invitation would result in the Company exceeding the limit that applies under ASIC Class Order 03/184 or any subsequent or replacement class order or relief in respect of new issues of securities under employee share schemes. ASIC Class Order 03/184 limits the maximum number of securities which may be granted to employees under incentive plans (including the Plan) in a rolling 5 year period to 5% of the issued capital of the Company (calculated at the date of the offer under the Plan), subject to a range of exclusions, including securities issued under a disclosure document, to certain senior executives or issues of securities outside of Australia.

To date, no Incentive Rights have been issued under the Plan. The Company does not have any existing incentive plans. Assuming all grants made under the Plan count towards the "5% limit", based on the 139,926,330 shares the Company has on issue, just less than 7 million Incentive Rights may be granted under the Plan.

However, at the 2010 Annual General Meeting, shareholders approved the issue of 5million options to the Directors on terms outside the Plan. Details of these issues are set out in the Company's 2011 Annual Financial Statements and various ASX announcements.

- (c) *Exercise Price:* The exercise price, if any, for Incentive Rights will be determined by the Board in its discretion and set out in the related invitation. The exercise price may be any amount and may be as low as zero, in which case a statement to that effect will be set out in the related invitation. Current Board policy is that the Board will set an exercise price of zero, although the Board has absolute discretion to change this policy at any time and without further shareholder approval.
- (d) *Vesting:* Vesting conditions may be determined by the Board at the time an invitation is made, and may include a minimum employment term. Incentive Rights may not be exercised until vesting conditions, as specified in the invitation, have been met or otherwise waived in accordance with the Plan or the terms of issue. The Board has the discretion not to impose vesting conditions. The Board has the power to amend or waive vesting conditions or decide to set no such conditions.
- (e) *Lapse:* Unless the Board determines otherwise in its absolute discretion, a Incentive Right will lapse on the earliest to occur of (i) a purported transfer, assignment, mortgage, charge, disposition of or encumbrance of the Incentive Right, other than with the prior written consent of the Board; (ii) the holder of such Incentive Right (a "**Incentive Rights Holder**") ceasing to be an Eligible Participant for any reason, subject to the provisions described below; (iii) a determination by the Board that a Incentive Rights Holder has acted fraudulently or dishonestly or is in breach of his or

her obligations to any Group Member; (iv) subject to any automatic vesting in accordance with the Plan, if applicable vesting conditions have not been met in the prescribed period; (v) the expiry date set out in the related invitation; or (vi) the seven year anniversary of the grant of the Incentive Right.

- (f) *Cessation of Entitlement – Ill Health or Death*: Subject to any invitation's terms and conditions, if a Incentive Rights Holder ceases to be an Eligible Person due to ill health or death, then (i) if all relevant vesting conditions are met or no vesting conditions are imposed, Incentive Rights may be exercised (by the personal representatives in the case of death) as set out under "*Lapse*" above; or (ii) if any relevant vesting conditions have not been met, the Incentive Rights will automatically lapse immediately upon the Incentive Rights Holder ceasing to be an Eligible Participant, unless the Board determines otherwise that all or a portion of those Incentive Rights immediately vest.
- (g) *Cessation of Entitlement – Termination for Cause*: Subject to any invitation's terms and conditions, if an Incentive Rights Holder is terminated for cause, then, if all relevant vesting conditions are met or no vesting conditions are imposed, the right to exercise Incentive Rights is immediately suspended for a period of 14 days (**suspension period**). During the suspension period, the Board may determine to lift the suspension and allow that Incentive Right to continue and be able to be exercised by the Incentive Rights Holder during the period ending 30 days after the Incentive Rights Holder ceases to be an Eligible Participant (**extension period**). At the end of any extension period, the Incentive Right will automatically lapse. If the Board does not determine to lift the suspension before the end of the suspension period, the Incentive Right will automatically lapse. If any relevant vesting conditions have not been met and an Incentive Rights Holder is terminated for cause, the Incentive Rights will lapse on the day the Incentive Rights Holder ceases to be an Eligible Participant.
- (h) *Cessation of Entitlement – Termination by Consent or Cessation of Employment for Other Reasons*: Subject to any invitation's terms and conditions, if an Incentive Rights Holder ceases to be an Eligible Participant (i) by their own volition, with the written consent of the Board; (ii) by reason of redundancy; or (iii) for reasons other than ill health or death, termination for cause or by consent, or redundancy, then: (A) if all relevant vesting conditions are met or no vesting conditions are imposed, the Incentive Rights may be exercised for a period of 180 days after the Incentive Rights Holder ceases to be an Eligible Person, following which such Incentive Rights will lapse; or (B) if any relevant vesting conditions have not been met, the Incentive Rights will lapse on the day the Incentive Rights Holder ceases to be an Eligible Participant, unless the Board determines otherwise that all or a portion of those Incentive Rights immediately vest.
- (i) *Change of Control*: Subject to the terms and conditions of a grant of an Incentive Right, the Board may in its absolute discretion determine that all or a portion of the unvested Incentive Rights automatically vest and automatically exercise on the occurrence of a change of control.
- (j) *Winding up*: The Board may, in its absolute discretion, permit the exercise of Incentive Rights, irrespective or whether the relevant vesting conditions have been met, during such period as the Board determines where the Company passes a resolution for voluntary winding up or an order is made for the Company's compulsory winding up.
- (k) *Assignability*: Incentive Rights will be transferable or assignable only with the prior written consent of the Board, which may be withheld in its absolute discretion. If an Incentive Rights Holder purports to transfer, assign, mortgage, charge or otherwise dispose of or encumber any Incentive Rights without Board consent, the Incentive Rights immediately lapse. Incentive Rights are transferable to the extent necessary to allow exercise by personal representatives pursuant to the Plan in the event of death of the holder.
- (l) *Amendments*: Subject to the ASX Listing Rules, the Board may at any time amend or add to all of any of the provisions of the Plan, or the terms or conditions of any Incentive Right granted under the Plan, including vesting conditions. Unless any such amendment requires shareholder approval pursuant to the ASX Listing Rules, shareholder approval is not required. Despite the foregoing, no amendment may be made to the terms of a Incentive Right without the consent of the holder of the Incentive Right, if the effect of the amendments is to reduce the rights of the holder of such Incentive Right, other than an amendment introduced primarily (i) for the purpose of complying with present or future legislation or regulations applicable to the Company or the Plan; (ii) to correct any manifest error or mistake; or (iii) to take into consideration adverse tax implications in respect of the Plan.

- (m) *Dividends and voting rights:* Incentive Rights granted under the Plan do not carry any dividend or voting rights.
- (n) *Financial Assistance:* The Plan does not provide for Dart Mining NL to extend financial assistance to any Incentive Rights Holder to facilitate the acquisition by such holder of Dart Shares.

A voting exclusion statement is set out in the Notice of Annual General Meeting which this Explanatory Memorandum accompanies.

The Directors (other than Mr Ward, who is able to participate in the Plan and therefore is interested in the resolution) unanimously recommend Shareholders vote in favour of Resolution 6.

SPECIAL BUSINESS – ITEM 7 (Resolution 7): *Approval Of Termination Benefits Under The Plan For The Purposes Of The Corporations Act and the ASX Listing Rules*

For a discussion on the termination benefits and the requirement for Shareholder approval under the Corporations Act and the ASX Listing Rules, please refer to the relevant section later in this Explanatory Memorandum.

SPECIAL BUSINESS – ITEM 8 (Resolution 8): *Approval of Issue of Incentive Rights to Mr Lindsay Ward*

In order for Dart Mining NL to have attracted a high calibre executive to be its Managing Director, and to preserve shareholders' funds for exploration, the Company agreed with Mr Ward at the time of his appointment to the Company that, as part of his remuneration package, and subject to shareholder approval, the Company will issue to Mr Ward 6,000,000 Incentive Rights. Each Incentive Right will be eligible to convert into one fully paid ordinary share in the Company.

In the Board's view, this composite approach to the remuneration package both preserves cash and acts as an incentive for continued employment and performance.

The Incentive Rights will be issued to Mr Ward in three separate tranches and on three separate dates:

- Tranche 1 of 2 million Incentive Rights, following the shareholder meeting the subject of this notice (assuming Resolution 6 is passed).
- Tranche 2 of 2 million Incentive Rights, 1 July 2012,
- Tranche 3 of 2 million Incentive Rights, 1 July 2013.

The Company's obligation to issue the Incentive Rights to Mr Ward on these dates is conditional upon Mr Ward's continued employment with Dart. Accordingly, if Mr Ward is not employed by Dart (for any reason) on the specified issue date, no Incentive Rights will be issued and the Company will have no further obligation in respect of that tranche.

Other than continued employment with the Company the Incentive Rights will not be issued with other vesting or performance conditions.

Each Incentive Right will be exercisable at the sole election of Mr Ward (subject to compliance with the terms of the Company's trading policy) by notice in writing to the Company which notice must be given within 12 months after the date of issue.

As it is intended that Mr Ward's Incentive Rights will be issued under and in accordance with the terms of the Plan, the issue is conditional upon the approval of both Resolutions 6 and Resolution 8.

Shareholder approval is required under Listing Rule 10.14 for the issue of Incentive Rights to Mr Ward as he is a Director and therefore a related party of the Company. The Board considered the application of Chapter 2E of the Corporations Act and resolved that the reasonable remuneration exception provided by section 211 of the Corporations Act is relevant in the circumstances. This decision was based on a variety of factors including market practice, the remuneration offered to persons in comparable positions at comparable companies and the requirements of applicants at the time of appointment of Mr Ward as Managing Director. In particular, the Board has had regard to the global and competitive nature of the business and Mr Ward's role as Managing Director.

Listing Rule 10.15A requires the following information to be provided in relation to the Incentive Rights proposed to be granted to Mr Ward pursuant to the Plan:

- (a) The number of Incentive Rights (and hence the maximum number of Shares) to be issued to Mr Ward is: 6,000,000 in aggregate, intended to be issued on the dates specified above. In any event, the Incentive Rights will not be issued later than 3 years after this Meeting (or such later date as permitted by ASX by way of a waiver from the Listing Rules).
- (b) No consideration is payable by Mr Ward at the time of issue of the Incentive Rights or upon exercise thereof (save that the Incentive Rights form part of his remuneration for services).
- (c) There have not been any Incentive Rights issued under the Plan to date and it is expected that none will be made until after the date of the Meeting. Full details of Mr Ward's holding of securities in the Company are set out in the Directors' Report in the 2011 Annual Report.
- (d) Under the Plan, only Eligible Employees and Eligible Contractors are entitled to participate in the Plan. Mr Ward has been determined to be an Eligible Employee for the purposes of the Plan. Mr Ward is the only person referred to in Listing Rule 10.14 (a director of the Company or an associate of that director) currently eligible to participate in the Plan and he is an executive director of the Company. Subject to any required Shareholder approval, future executive directors of the Company will be eligible to participate in the Incentive Plan.
- (e) No loans will be made by the Company in connection with the issue of Incentive Rights to Mr Ward.
- (f) Details of any Incentive Rights issued to under the Plan will be published in each annual report of the Company relating to the period in which the Incentive Rights have been issued, with a statement that approval for the issue of the Incentive Rights to persons referred to in Listing Rule 10.14 (a director of the Company or an associate of that director) was obtained under ASX Listing Rule 10.14.
- (g) Other than Mr Ward, any additional persons referred to in Listing Rule 10.14 (a director of the Company or an associate of that director) who become entitled to participate in the Plan after it is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under Listing Rule 10.14.
- (h) Except as stated above, all other terms and conditions of Mr Ward's Incentive Rights are as described above in respect of the Plan, generally.
- (i) A voting exclusion statement in respect of Resolution 8 is included in the Notice of Meeting.

As an Incentive Right converts into one share, the Incentive Rights to be issued to Mr Ward pursuant to this resolution have a 'see through' value of \$540,000 (based on a share price of \$0.09 per share on 7 September 2011 being the latest practicable date prior to finalisation of this notice) although the Company notes that the actual value would most likely be discounted due to the issue conditions. The value of the Incentive Rights on the same basis at the date of employment of Mr Ward was \$366,000.

The Directors (other than Mr Ward, who is able to participate in the Plan and therefore is interested in the resolution) unanimously recommend Shareholders vote in favour of Resolution 8.

SPECIAL BUSINESS – ITEMS 7 and 9 (Resolutions 7 and 9): *Separate Approvals Of Termination Benefits Under The Plan And For Lindsay Ward, For The Purposes Of The Corporations Act*

Resolution 7 considers the approvals of termination benefits under the Plan. Resolution 9 considers the approvals of termination benefits for Mr Lindsay Ward under the Plan. Each Resolution considers the approvals for the purposes of both the Corporations Act and the Listing Rules.

The discussion below considers the Corporations Act issues for each Resolution. It is followed immediately by a consideration of the Listing Rule issues for each Resolution.

Background

Section 200B of the Corporations Act restricts the benefits which can be given in connection with the retirement from office or cessation of employment of certain officers of the Company or a related body corporate, unless an exemption applies or shareholder approval is obtained.

Significant changes were made to section 200B and related provisions in late 2009. These had the effect (among other things) that:

- (a) a wider group of officers (being those who hold a 'managerial or executive office' in the Company) is subject to the provisions – in addition to Directors, the amended provisions also cover senior executives who are key management personnel of the Company or whose remuneration details are disclosed in the Company's remuneration report, and they also extend to any person who held such a directorship or position in the previous 3 years;
- (b) a substantially reduced cap applies to the termination payments that the Company is permitted to make to the affected officers without shareholder approval – the cap is now (broadly) up to 12 months' average base salary, instead of up to 7 times average annual remuneration;
- (c) various identified types of remuneration, including accelerated and automatic vesting of share-based payments, are now specifically characterised as benefits for the purposes of the provisions; and
- (d) there are exemptions from the operation of the provisions – for example, deferred bonuses, genuine superannuation contributions and payments from certain defined benefit superannuation schemes are now exempt from the requirement to obtain shareholder approval, although the scope of some of these exemptions is not yet clear.

Section 200E requires certain information to be provided to Shareholders in approving a benefit on termination of a managerial or executive office. Whilst the value of the proposed benefits on termination cannot currently be ascertained, the manner in which the value of the proposed benefits on termination is calculated, and the matters events and circumstances that will, or are likely to, affect the calculation of the value, are set out below.

Details of Benefits for which Shareholder Approval is Sought

The Company is seeking advance shareholder approval, for the purposes of sections 200B and 200E of the Corporations Act, to provide certain benefits, including to Mr Ward, which may otherwise be prohibited under s200B, so as to obtain certainty about its ability to maintain its existing remuneration arrangements and satisfy contractual and legal obligations. The termination benefits approved under the relevant resolution will be in addition to any other termination benefits that may be provided in accordance with the law.

The term "benefit" has a wide operation and relevantly includes a Board exercising its discretion under the rules of the Plan to permit:

- (a) in the context of Resolution 7, the early vesting of Incentive Rights issued under the Plan; and
- (b) in the context of Resolution 9, the early vesting of Incentive Rights issued to Mr Ward under the Plan.

Circumstances in which the early vesting of Incentive Rights under of the Plan are summarised in "Special Business – Item 6" above, *Summary of the Features of the Plan*.

If shareholder approval is obtained, it will give the Company the maximum flexibility to vest the Incentive Rights to Directors (including to Mr Ward), executives or key management personnel who cease employment or office.

Approval is sought in relation to both current and future personnel (including Mr Ward) who hold or have held during the 3 years prior to cessation of employment or office a managerial or executive office (including the office of director, whether executive or non-executive) in the Company or a related body corporate.

Termination Benefits under the Plan

A summary of the Plan is set out in these Explanatory Notes under the discussion above for Item 6.

As discussed above, the Plan provides for the offer to, and acquisition by, selected Eligible Participants for Incentive Rights. Eligible Participants may include executive Directors, executives, key management personnel eligible and other employees.

In respect of the Incentive Rights, the Plan contains provisions setting out the treatment of unvested Incentive Rights in situations such as where an officer or employee leaves the Company (in certain circumstances). For example, under the rules of the Plan, where a participant resigns from his or her employment with the Company before his or her Incentive Rights have vested, the Board of the Company

may exercise its discretion to determine that some or all of the Incentive Rights will vest, and the basis on which vesting may occur (which may include, without limitation, timing and conditions).

The exercise of this discretion to allocate Incentive Rights will constitute a 'benefit' for the purposes of the termination benefits provisions of the Corporations Act. Accordingly, approval is being sought to provide the Board with the flexibility to exercise the discretion under the Plan to allocate Incentive Rights upon the cessation of an Eligible Participant's employment.

Value of the Benefits

The value of the potential termination benefits cannot be determined in advance as they are dependant on various matters, events and circumstances which will or would likely affect calculation of the value.

Specifically, the value of such a benefit to an Eligible Participant (including Mr Ward) under the Plan will depend on the following factors:

- (a) the Eligible Participant's length of service and the portion of any relevant performance periods that have expired at the time they leave employment;
- (b) the Eligible Participant's total remuneration package at the time of any issue of Incentive Rights and at the time they leave employment;
- (c) the proportion of any relevant performance periods that have elapsed at the time the Eligible Participant ceases to be employed;
- (d) the extent to which any performance conditions or hurdles have been achieved;
- (e) the number of unvested Incentive Rights that the Eligible Participant holds at the time they cease to be employed;
- (f) the Company's Share price at the time of allocation; and
- (g) the number of Incentive Rights that the Board decides is to be allocated.

The passing of Resolution 7 and 9 are intended to remove doubt about the application of section 200B of the Corporations Act to the vesting of the relevant Incentive Rights in accordance with the Plan.

Voting exclusion statements are set out in the Notice of Annual General Meeting which this Explanatory Memorandum accompanies.

The Directors, (other than Mr Ward, who is able to participate in the Plan and therefore is interested in the resolutions) unanimously recommend Shareholders vote in favour of Resolutions 7 and 9.

SPECIAL BUSINESS – ITEMS 7 and 9 (Resolutions 7 and 9): Separate Approvals Of Termination Benefits Under The Plan And For Lindsay Ward, For The Purposes Of The ASX Listing Rules

Listing Rule 10.19 limits the aggregate value of all termination benefits (other than superannuation benefits or provident fund and benefits required by law) that are or may become payable to officers to 5% of the equity interests of the Company as set out in the latest accounts given to ASX under the Listing Rules.

Shareholder approval is required to exceed this limit.

The limit applies to any officer of the Company or its child entities. A child entity is defined as any entity which is controlled by the Company within the meaning of section 50AA of the Corporations Act or subsidiary of the Company.

The Company seeks shareholder approval to ensure that Mr Ward or any officer of the Company or its child entities will be entitled to any termination benefits under the Plan (for example any accelerated vesting of the Incentive Rights at the discretion of the board), even if the aggregate of these potential termination payments for all officers exceeds 5% of the equity interests of the Company from time to time.

Calculating the termination benefits payable at any one time is inherently difficult. It is dependent upon, for example, whether the vesting conditions for Incentive Rights have or will vest and the rights termination (which in some circumstances requires the exercise of discretion of the Board), the value of those "rights"

(which will fluctuate based on the Company's share price), the value of other termination benefits (such as accrued long service leave etc) and the Company's equity interest at that time).

Using the last accounts given to ASX under the Listing Rules, the equity interests of the Company calculated in accordance with the ASX Listing Rules are approximately \$6,744,845. In the event that the value of the cumulative termination benefits payable at any one time by the Company to its officers exceeds 5% of this amount (being approximately just over \$337,000 which amount itself will vary with the Company's equity interests), then the Company seeks separate shareholder approval:

- (a) under Resolution 7, to ensure that each current or future officer of the Company or its child entities (which includes Mr Ward) will be entitled to any termination benefits under the Plan for the purposes of Listing Rule 10.19 (including any accelerated vesting of the Incentive Rights at the discretion of the Board); and
- (b) under Resolution 9, to ensure that each Mr Ward will be entitled to any termination benefits under the Plan for the purposes of Listing Rule 10.19 (including any accelerated vesting of the Incentive Rights at the discretion of the board).

The passing of Resolution 7 and 9 are intended to remove doubt about the application of Listing Rule 10.19 to the vesting of the relevant Incentive Rights in accordance with the Plan.

Voting exclusion statements are set out in the Notice of Annual General Meeting which this Explanatory Memorandum accompanies.

The Directors, (other than Mr Ward, who is able to participate in the Plan and therefore is interested in the resolutions) unanimously recommend Shareholders vote in favour of Resolutions 7 and 9.

SPECIAL BUSINESS – ITEM 10 (Resolution 10): *Approval to Grant New Options*

Resolution 10 seeks Shareholder approval of the grant and issue of up to 10,000,000 options to subscribe for fully paid shares in the capital of the Company each at an exercise price of fifteen cents (\$0.15) and with an expiry date of 31 December 2013 ("New Options"). Shareholder approval is sought for the issue of the New Options as otherwise such an issue would result in them being included in the calculation of the 15% limit imposed by ASX Listing Rule 7.1. The New Options would, if they are granted, be issued within 3 months of the date of this Annual General Meeting.

It is proposed that the New Options will be issued to persons who may be resident either in Australia or overseas, and who provide, or agree to provide, corporate and financial advisory or other mandated services, or who are either "professional" or "sophisticated" investors (within the meaning attributed to those terms in the Corporations Act who provide financial and corporate advisory services. The Company has not yet determined who may receive New Options, although it is in discussions with Paddington Asset Management and Billilla Holdings Pty Ltd <Billilla Super Fund A/c>, as they have been providing advisory services to the Company. **No New Options will be issued to Directors or their associates or to related parties of the Company.**

Apart from the potential dilutive effect any exercise of the New Options will have on existing members, the Company does not consider that members will be disadvantaged by approving Resolution 10 and the issue of New Options. If all of the New Options are issued and all of them are exercised, then based on the current issued shares on issue of 139,926,330, then the current shareholders will be diluted by approximately 6.7% and the Company will have received approximately \$1.5M as payment for the exercise of those New Options.

However, **if members do not approve Resolution 10**, the Company will not be authorised to issue New Option in lieu of paying cash for services provided and, consequently, the Company's cash reserves may be diminished by the amount of fees otherwise charged by consultants for services provided. Also, the Company will not be able to benefit from any funds received upon the exercise of the New Options.

RESOLUTION 10: *Specific information required by ASX Listing Rule 7.3*

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of New Options described in Resolution 10:

- (a) the maximum number of New Options the Company is to grant and issue: 10,000,000 New Options;

- (b) the New Options may be granted and issued progressively over the 3 months following the date of this Annual General Meeting or such later date as approved by ASX by way of ASX granting a waiver under the Listing Rules;
- (c) The New Options will not have a fixed issue price per se. It is the Company's intention to negotiate a reduction in cash fees from the identified corporate and financial advisory or other mandated service providers and issue the New Options in lieu of those fees. The New Options will therefore have a deemed issue price equal to those reduced fees. The deemed issue price per New Option will be determined after having regard to the fees in respect of which New Options will be granted, and calculated applying the Black-Scholes methodology using customary assumptions at the time of the provision of services. Each New Option will have an exercise price of fifteen cents (\$0.15), with an expiry date of 31 December 2013;
- (d) the grantee(s) of the New Options will be providers of corporate and financial advisory services and other mandated service providers engaged by the Company, including Paddington Asset Management and James Chirnside;
- (e) the New Options will have the terms set out in the Annexure; and
- (f) the funds raised from the exercise of New Options will be used on the Company's exploration or otherwise for general working capital requirements.

A voting exclusion statement is set out in the Notice of Meeting which this Explanatory Memorandum accompanies.

The Directors unanimously recommend Shareholders vote in favour of Resolution 10.

SPECIAL BUSINESS – ITEM 11 (Resolution 11): *Appointment of Auditor*

Deloitte has been the Company's Auditor since its incorporation on 26 May 2006. The Board has been satisfied with the services of Deloitte and thanks Deloitte for their assistance over the past five years. However in line with the statutory rotation requirements of audit partners the Board believes after five years of service that a change of Auditor be sought. As a consequence Deloitte will seek ASIC consent under s.329(5) of the Corporations Act to resign as Auditor of the Company with effect from the end of the Annual General Meeting.

The Directors recommend the appointment of the firm MSI Ragg Weir, Chartered Accountants, as Auditor of the Company. In accordance with s328B of the Corporations Act, it is necessary for a member of the Company to nominate MSI Ragg Weir for appointment as Auditor, and for a copy of that nomination to be sent to MSI Ragg Weir, Deloitte, and to each person entitled to receive notice of general meetings of the Company not less than 7 days before the meeting. A copy of the nomination of MSI Ragg Weir by Mr Christopher Bain a shareholder of the Company is included with this Explanatory Memorandum. Mr Lee Wong, a Partner of MSI Ragg Weir is a Member of the Institute of Chartered Accountants in Australia and is a registered company auditor. He has had previous experience of conducting audits of public listed companies. MSI Ragg Weir has consented to their appointment as Auditor pursuant to s.328A of the Corporations Act in the event that this resolution is passed at the meeting.

ANNEXURE

DART MINING NL ACN 119 904 880

Rights attaching to options

The following are the rights attaching to the Options granted by and on issue in the Company.

1. **Entitlement**
 - 1.1 Each Option entitles the Optionholder to subscribe for, and be allotted, one ordinary Share.
 - 1.2 Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by ASX.
2. **Exercise of Option**
 - 2.1 The Options are exercisable at any time from the date of issue until their expiry on 31 December 2013. The exercise of Options shall at all times be subject to the Company's Policy from time to time on dealings in securities ("Securities Trading Policy"). Without limiting the foregoing, if the exercise of an Option (and subsequent allotment of Shares) during the term of the Option ("Exercise Period") would cause or result in the Optionholder being in breach of ASX Listing Rules or the Company's Trading Policy or if an Option would lapse during any "blackout" period prescribed by any Securities Trading Policy were they not to be exercised by the Optionholder then, at the request of the Optionholder, the Board may, in its sole discretion and by notice to that Optionholder vary (by shortening or extending as the case requires) the Exercise Period so that were the relevant Options to be exercised then no such breach would occur and/or the Options do not lapse. Notwithstanding the foregoing the Exercise Period must not be varied by a period of more than 120 days.
 - 2.2 The exercise price of each Option is \$0.15 (fifteen cents).
 - 2.3 Each Option is exercised by the Optionholder signing and delivering a notice of exercise of Option together with payment of the exercise price for each Share to be issued upon exercise of each Option to the Company or the Company's share registry.
 - 2.4 In the event of liquidation of the Company, all unexercised Options will lapse.
3. **Quotation**
 - 3.1 The Company will not apply to ASX for official quotation of the Options and they will remain unlisted.
 - 3.2 If the Shares of the Company are quoted on ASX, the Company will apply to ASX for, and will use its best endeavours to obtain quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.
4. **Participation in Securities Issues**
 - 4.1 The holder of an Option is not entitled to participate in new issues of securities without exercising the Options, subject to the statements set out in clause 5 (Participation in a Reorganisation of Capital) below.
5. **Participation in a Reorganisation of Capital**
 - 5.1 In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Optionholder will be changed in accordance with the Listing Rules of ASX applying to a restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Optionholder which is not conferred on shareholders of the Company.
 - 5.2 In any reorganisation as referred to in paragraph 5.1, Options will be treated in the following manner:
 - (a) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (b) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
 - (c) in the event of a return of the share capital of the Company, the number of Options will remain the same and exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
 - (d) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
 - (e) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
 - (f) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Optionholder which are not conferred on the holders of Shares.
6. **Adjustment to Options and Exercise Price**
 - 6.1 Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph 5.2 to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
 - 6.2 The method of adjustment for the purpose of paragraph 5.2 shall be in accordance with the Listing Rules of ASX from time to time.
 - 6.3 *Pro-Rata Bonus Issues* If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date (within the meaning of the Listing Rules) for bonus issues. The exercise price will not change.
7. **Takeovers and Schemes of Arrangement**
 - 7.1 If during the currency of any Options and prior to their exercise a market bid or an off-market bid (both within the meaning of the Corporations Act) is made to holders of Shares then the Optionholder may exercise the Options notwithstanding any other terms and conditions applicable to the Options.

- 7.2 If an offer for Shares is made to Shareholders pursuant to a scheme of arrangement which has been approved in accordance with the Corporations Act, the Optionholder will be entitled to exercise Options held by it at any time or within the period notified by the Company, whichever period is lesser.
8. **Transfers not permitted without prior consent**
- 8.1 The Options are not transferable except with the prior approval of the directors of the Company (which approval shall not unreasonably be withheld).
9. **Definitions**
- 9.1 Terms used in this document have the following meanings:
- \$** means Australian dollars
 - ASIC** means the Australian Securities and Investments Commission
 - ASX** means Australian Securities Exchange Limited
 - Board** means the Board of Directors
 - Company** and **Dart** means Dart Mining NL ACN 119 904 880
 - Corporations Act** means the *Corporations Act 2001 (Cth)*
 - Directors** means the directors of the Company, from time to time
 - Explanatory Memorandum** means this Explanatory Memorandum
 - General Meeting** or **Meeting** means the Annual General Meeting of Shareholders to be held at Morgan @ 401, 401 Collins Street, Melbourne, Victoria on Wednesday, 19 October 2011 at 10.00am, or any adjournment thereof
 - Listing Rules** means the official listing rules of ASX
 - Notice of Meeting** means the notice of the Meeting which accompanies the Explanatory Memorandum
 - Options** means an option to subscribe for a Share, the rights attaching to which options are described herein
 - Optionholder** means a holder of an Option
 - Resolution** means a resolution in the Notice of Meeting
 - Section** means a section of this Explanatory Memorandum
 - Shareholder** means registered holders of Shares
 - Share** means a fully paid ordinary share in the capital of the Company.