

TRUSCOTT MINING CORPORATION LIMITED

ACN 116 420 378

NOTICE OF GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

Date of Meeting

23 May 2008

TIME OF MEETING

2:00pm WST

PLACE OF MEETING

Boardroom of the Company's office at
13 Colin Street, West Perth, WA 6005

This Notice of General Meeting and Explanatory Memorandum 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.

TRUSCOTT MINING CORPORATION LIMITED
ACN 116 420 378

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the General Meeting of Truscott Mining Corporation Limited ACN 116 420 378 (“**Company**”) will be held at the Boardroom 13 Colin Street, West Perth, WA 6005 on 23 May 2008 commencing at 2:00 pm WST.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of Meeting.

Terms used in this Notice of General Meeting will, unless the context otherwise requires, have the same meaning as given to them in the Glossary as contained in the Explanatory Memorandum.

AGENDA

BUSINESS

Resolution 1 – Ratify Previous Issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to Listing Rule 7.4 of the ASX and for all other purposes, Shareholders ratify the issue and allotment on 19 February 2008 of 3,566,666 fully paid ordinary shares at an issue price of 15 cents per share and on 21 February 2008 of a further 433,334 fully paid ordinary shares at an issue price of 15 cents per share, further details of which are set out in the Explanatory Memorandum accompanying this Notice of General Meeting.”

<p>The Company will disregard any votes cast on this resolution by a person who participated in the issue and an associate of that person (or those persons). However, the company need not disregard a vote if it is cast by a person as a proxy who is entitled to vote, in accordance with the directions on the proxy form, or if 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.</p>

Resolution 2 –Grant of Incentive Options to Kevin Alexander – Non-Executive Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to Listing Rule 10.11 and Section 208 of the Corporations Act and for all other purposes, the Directors be authorised to grant a total of 500,000 Incentive Options, each having an exercise price of 20 cents and an expiry date of 31 March 2011, to Kevin Alexander or his nominee/s (such Incentive Options to be granted on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of General Meeting, including Annexure A to the Explanatory Memorandum).”

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 2 by Kevin Alexander and any associates of Mr Alexander. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed Resolution; and
- it is not cast on behalf of Mr Alexander or an associate of Mr Alexander.

Resolution 3 –Grant of Incentive Options to Peter Smith – Executive Chairman

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to Listing Rule 10.11 and Section 208 of the Corporations Act and for all other purposes, the Directors be authorised to grant a total of 1,000,000 Incentive Options, each having an exercise price of 25 cents and an expiry date of 4 years from the date of grant, to Peter Smith or his nominee/s (such Incentive Options to be granted on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of General Meeting, including Annexure B to the Explanatory Memorandum).”

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 3 by Peter Smith and any associates of Mr Smith. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed Resolution; and
- it is not cast on behalf of Mr Smith or an associate of Mr Smith.

Resolution 4 –Grant of Incentive Options to Michael Povey – Executive Director/Company Secretary

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to Listing Rule 10.11 and Section 208 of the Corporations Act and for all other purposes, the Directors be authorised to grant a total of 1,000,000 Incentive Options, each having an exercise price of 25 cents and an expiry date of 4 years from the date of grant, to Michael Povey or his nominee/s (such Incentive Options to be granted on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of General Meeting, including Annexure B to the Explanatory Memorandum).”

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 4 by Michael Povey and any associates of Mr Povey. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed Resolution; and
- it is not cast on behalf of Mr Povey or an associate of Mr Povey.

Resolution 5 –Grant of Incentive Options to Derrick Sufredo – Non-Executive Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

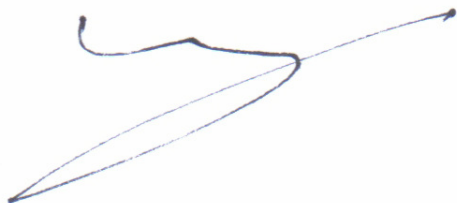
“That, pursuant to Listing Rule 10.11 of the ASX and Section 208 of the Corporations Act 2001 and for all other purposes, the Directors be authorised to grant a total of 500,000 Incentive Options, each having an exercise price of 25 cents and an expiry date of 4 years from the date of grant, to Derrick Sufredo or his nominee/s (such Incentive Options to be granted on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of General Meeting, including Annexure B to the Explanatory Memorandum).”

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 4 by Derrick Sufredo and any associates of Mr Sufredo. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed Resolution; and
- it is not cast on behalf of Mr Sufredo or an associate of Mr Sufredo.

Please note terms used in Resolutions 1 to 5 (inclusive) of this Notice of Meeting have the same meaning as set out in the glossary of the Explanatory Memorandum accompanying this Notice.

BY ORDER OF THE BOARD OF DIRECTORS



Michael J Povey
Company Secretary
Truscott Mining Corporation Limited
16 April 2008

PROXIES

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

ENTITLEMENT TO VOTE

For the purposes regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that Shareholders holding ordinary shares at 5.00 pm WST on 28 May 2008 will be entitled to attend and vote at the General Meeting.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the meeting.

TRUSCOTT MINING CORPORATION LIMITED
ACN 116 420 378
PROXY FORM

The Company Secretary

Truscott Mining Corporation Limited
Registered Office Address:

13 Colin Street
WEST PERTH WA 6005
(08) 9324 3691
PO Box 2805 West Perth WA 6872

Share Registry: Security Transfer Registrars
770 Canning Highway
APPLECROSS WA 6153
(08) 9315 2233

Facsimile:

I/We (name of shareholder)

of (address)

being a shareholder/shareholders of Truscott Mining Corporation Limited ("**Company**") HEREBY APPOINT

(name)

of (address)

and/or failing him (name)

of (address)

or failing that person then the Chairman of the General Meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at the Boardroom of the Company's offices at 13 Colin Street West Perth, WA 6005 on 23 May 2008 commencing at 2:00pm Western Standard Time and at any adjournment of the meeting.

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

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

	For	Against	Abstain
Resolution 1 – Ratify Previous Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Grant of Incentive Options to Kevin Alexander – Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Grant of Incentive Options to Peter Smith – Executive Chairman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Grant of Incentive Options to Michael Povey – Executive Director/ Company Secretary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Grant of Incentive Options to Derrick Sufredo – Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Resolution 3, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of Resolution 3 and that a vote casts by the Chair of the meeting for Resolution 3 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your vote on Resolution 3 and your vote will not be counted in calculating the required majority if a poll is called on Resolution 3.

The Chairperson intends to vote any undirected proxies in favour of all Resolutions.

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

If the shareholder(s) is an individual:

Dated: 2008

Dated: 2008

If the shareholder is a company:

Affix common seal (if required by Constitution)

Director/Sole Director and Secretary
Dated: 2008

Director/Secretary

INSTRUCTIONS FOR APPOINTMENT OF PROXY

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

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

7. The Chairman intends to vote in favour of all Resolutions in relation to undirected proxies.

TRUSCOTT MINING CORPORATION LIMITED
ACN 116 420 378

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Truscott Mining Corporation Limited ("**Company**") in connection with the business to be conducted at the General Meeting of the Company to be held at **the Boardroom of the Company's offices at 13 Colin Street, West Perth, WA 6009 on 23 May 2008 commencing at 2:00pm (WST)**. This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of General Meeting.

The Directors recommend that Shareholders read this Explanatory Memorandum before determining whether or not to support the Resolutions.

Resolution 1 – Ratify Previous Issue of Shares

1. Background

On 20 February 2008 and on 21 February 2008 the Company announced to the ASX that it had issued a total of 4,000,000 Shares at 15 cents per share raising gross funds of \$600,000 (the "**February Placements**").

Subject to certain exceptions, none of which are relevant here, the Directors are restricted by Listing Rule 7.1 from issuing or agreeing to issue new securities in the Company in any 12 month period, which amount to more than 15% of the company's ordinary securities on issue without Shareholder approval.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further securities up to 15% of the issued capital of the company without requiring shareholder approval.

The Company wishes to ratify the issues pursuant to Listing Rule 7.4, in order to allow the Company to have the right to place up to a further 15% of its issued capital at any time during the next 12 months.

The number of Shares issued under the February Placements represented approximately 8.24% of the Company's share capital on issue immediately prior to the issue of the placement Shares. This previous issue did not breach the 15% threshold set by Listing Rule 7.1.

2. Information for Shareholders

The following information is provided to Shareholders for the purpose of Listing Rule 7.5:

- (a) a total of 4,000,000 Shares were allotted;
- (b) the Shares were issued for 15 cents per Share;
- (c) the Shares are fully paid ordinary shares that rank equally in all respects with existing Shares;
- (d) the names of the allottees to whom the Shares were allotted are as follows:

Allottee	No. of Shares	\$
Martin Place Securities Nominees Pty Ltd	1,000,000	150,000
Alcardo Investments Pty Ltd	966,667	145,000
WHI Securities Pty Ltd	666,667	100,000
Martin Place Securities Staff Superannuation Fund Pty Ltd	466,666	70,000
Leet Investments Pty Ltd	200,000	30,000
Richard Seville & Associates Pty Ltd	200,000	30,000
Julie Wiseman	100,000	15,000
Goldsworth Holdings Pty Ltd	100,000	15,000
Tuxedo Investments Pty Ltd	100,000	15,000
Robert Llewellyn Clancy & Christine Mary Clancy	66,667	10,000
Sinedie Pty Ltd	66,667	10,000
Dronkay Pty Ltd	66,666	10,000
Totals	4,000,000	600,000

- (e) none of the allottees are related parties of the Company or its associates; and
- (f) the funds raised by the issue of the Shares the subject of Resolution 1 have been used to fund exploration of the Company's Westminster gold, copper and base metals project adjacent to Tennant Creek in the Northern Territory.

Resolutions 2 to 5 – Grant of Incentive Options to Directors

1. Background

Under Resolutions 2 to 5, the Company proposes to grant a total of 3,000,000 Incentive Options to Kevin Alexander, Peter Smith, Michael Povey and Derrick Sufredo, or their respective nominees, as follows:

Name	Position	Incentive Options
Kevin Alexander (or his nominee/s)	Non-Executive Director	500,000
Peter Smith (or his nominee/s)	Executive Chairman	1,000,000
Michael Povey (or his nominee/s)	Executive Director / Company Secretary	1,000,000
Derrick Sufredo (or his nominee/s)	Non-Executive Director	500,000

The terms of the Incentive Options to be granted to Mr Alexander are set out in Annexure A to this Explanatory Memorandum. These Incentive Options have an exercise price of 20 cents and an expiry date of 31 March 2011. They vest after a period of 1 year from the date of grant.

The terms of the Incentive Options to be granted to Messrs Smith, Povey and Sufredo are set out in Annexure B to this Explanatory Memorandum. These Incentive Options have an exercise price of 25 cents and an expiry date of 4 years from the date of grant. They vest after a period of 1 year from the date of grant.

Mr Alexander was appointed to the Board on 3 December 2007 to fill the vacancy caused by the retirement of Ian Cowden at the Annual General Meeting held on 30 November 2007. As Mr Cowden retired less than 12 months from the listing of the Company, the Board cut back by 500,000 the number of free 20 cent Options he was entitled to receive under the terms of his employment contract. The terms of Mr Alexander's employment provide for him to be eligible to receive 500,000 free unlisted Options which have the same exercise price and expiry date as the Options that were cut back from the retiring director.

The grant of the Incentive Options is designed to encourage the Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

Under the Company's current circumstances, the Directors consider that the incentive represented by the grant of the Incentive Options, is a cost effective and efficient reward and incentive for the Company to provide, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

The number of Incentive Options to be issued to the Directors has been determined based on a number of factors including a review of the total remuneration that will be payable to the Directors and market standards. The Directors have generally reviewed a selection of comparable companies to determine market conditions generally and considered the proposed number of Incentive Options to be granted will ensure that the Directors' overall remuneration is in line with market standards.

Further, the Company considers that it is in the interests of Shareholders to align the interest of the Directors and Shareholders by encouraging the Directors, subject to appropriate conditions, to have an equity holding in the Company. However the Company considers that similar to other Shareholders, this interest should arise through direct investment by the Directors. In this regards, if all of the Incentive Options are exercised, the Directors will be investing a total of \$725,000 into the Company.

3. Corporations Act 2001 Requirements

Chapter 2E of the Corporations Act prohibits, subject to certain exceptions, a company from giving a financial benefit to a related party of the company without prior shareholder approval.

The Directors, Kevin Alexander, Peter Smith, Michael Povey and Derrick Sufredo (the parties to which Resolutions 2 to 5 relate), are considered "related parties" for this purpose, and the grant of Incentive Options to them constitutes a "financial benefit" for this purpose.

The purpose of the grant is to remunerate the specified Directors, or their nominees, as an incentive for future services. The Directors believe that the future success of the Company will depend in large measure on the skills and motivation of the people engaged in and overseeing the management of the Company's operations. It is therefore important that the Company is able to attract and retain people of the highest calibre.

The Directors consider that the most appropriate means of achieving this is to provide the Directors with an opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth.

Granting options as part of the remuneration packages of directors, senior executives and key consultants is a well established practice of public companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding directors.

In determining the number of Incentive Options to be granted and the terms, consideration was given to the relevant experience and role of each of the Directors, their respective overall remuneration terms and the terms of the Incentive Options.

The Incentive Options referred to in Resolutions 2 to 5 will be granted for no consideration within one month of approval by the Shareholders.

In accordance with section 219 of the Act, the following information is provided to Shareholders to allow them to assess whether or not it is in the Company's interests to pass Resolutions 2 to 5:

- (a) The related party to whom the proposed Resolutions would permit the financial benefit to be given is as follows:

The Directors, Kevin Alexander, Peter Smith, Michael Povey and Derrick Sufredo, are the related parties to whom the proposed Resolutions 2 to 5 would permit a financial benefit to be given. They are related parties of the Company by virtue of section 228 of the Corporations Act.

- (b) The nature of the financial benefit proposed to be given:

The nature of the financial benefit to be given to the related parties is the grant of the Incentive Options for no consideration on the terms and conditions set out in Annexure A (for the Options to be granted to Mr Alexander) and Annexure B (for the Options to be granted to Messrs Smith, Povey and Sufredo) to this Explanatory Memorandum. The Incentive Options to be granted are non-transferable (subject to the provisions of the terms and conditions outlined in the Annexures).

On the basis of the indicative option value, as detailed in the table below, the value of Incentive Options proposed to be granted to the related parties, is as follows:

Name	No. of Incentive Options	Indicative Value\$*
Kevin Alexander	500,000	\$10,135
Peter Smith	1,000,000	\$22,500
Michael Povey	1,000,000	\$22,500
Derrick Sufredo	500,000	\$11,250

*Note: the Indicative Value of the Incentive Options is based upon the Black and Scholes options pricing model. Further details, and the assumptions on which the calculation of the indicative value is prepared, is discussed below.

(c) Directors' recommendation:

All Directors were available to consider Resolutions 2 to 5:

Peter Smith, Michael Povey and Derrick Sufredo (who do not have an interest in Resolution 2) recommend to Shareholders that they vote in favour of Resolution 2 for the reasons outlined in this Explanatory Memorandum. Kevin Alexander does not wish to make any recommendation to Shareholders in relation to proposed Resolution 2 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Incentive Options to him individually, or his nominee/s.

Michael Povey, Kevin Alexander, Derrick Sufredo (who do not have an interest in Resolution 3) recommend to Shareholders that they vote in favour of Resolution 3 for the reasons outlined in this Explanatory Memorandum. Peter Smith does not wish to make any recommendation to Shareholders in relation to proposed Resolution 3 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Incentive Options to him individually, or his nominee/s.

Peter Smith, Kevin Alexander and Derrick Sufredo (who do not have an interest in Resolution 4) recommend to Shareholders that they vote in favour of Resolution 4 for the reasons outlined in this Explanatory Memorandum. Michael Povey does not wish to make any recommendation to Shareholders in relation to proposed Resolution 4 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Incentive Options to him individually, or his nominee/s.

Peter Smith, Michael Povey and Kevin Alexander (who do not have an interest in Resolution 5) recommend to Shareholders that they vote in favour of Resolution 5 for the reasons outlined in this Explanatory Memorandum. Derrick Sufredo does not wish to make any recommendation to Shareholders in relation to proposed Resolution 5 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Incentive Options to him individually, or his nominee/s.

(d) Other information that is reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass Resolutions 2 to 5 and that is known to the Company or any of its Directors:

- (i) The annual directors' remuneration for each of Peter Smith, Michael Povey, Kevin Alexander and Derrick Sufredo (excluding the value of the Incentive Options proposed to be granted under Resolutions 2 to 5) is currently as follows:

Name	Position	Annual Remuneration including superannuation
Kevin Alexander	Non-Executive Director	\$25,000
Peter Smith	Executive Chairman	\$110,000
Michael Povey	Executive Director / Company Secretary	\$25,000
Derrick Sufredo	Non-Executive Director	\$25,000

- (ii) Excluding any securities proposed to be granted to the related parties pursuant to Resolutions 2 to 5, Peter Smith, Michael Povey, Kevin Alexander and Derrick Sufredo and their respective associates have a relevant interest in the securities set out below:

Name	Shares	Options
Kevin Alexander	Nil	Nil
Peter Smith	17,870,001	1,000,000
Michael Povey	555,000	500,000
Derrick Sufredo	2,335,908	500,000

- (iii) The Directors requested Young & Cullen Pty Ltd to provide an indicative valuation of the Incentive Options proposed to be granted to the related parties for inclusion in this Explanatory Memorandum.

Young & Cullen Pty Ltd by letter dated 8 April 2008, have concluded that the Black and Scholes Option Pricing Model attributes an indicative value of 2.250 cents to each Incentive Option to be granted to Messrs Smith, Povey and Sufredo and an indicative value of 2.027 cents to each Incentive Option to be granted to Mr Alexander based on the following assumptions:

1.	Underlying security price:	10.5 cents
2.	Exercise price of the Incentive Options	20 cents (for the Options to be granted to Mr Alexander) 25 cents (for the Options to be granted to Messrs Smith, Povey and Sufredo)

3.	Vesting date	12 months after grant
4.	Dividend rate	0%
5.	Standard deviation of returns	70%
6.	Risk free rate (current Reserve Bank interbank overnight cash rate)	7.25%
7.	Expiry date	31 March 2011 (for the Options to be granted to Mr Alexander) 4 years from the date of grant (for the Options to be granted to Messrs Smith, Povey and Sufredo)

Young & Cullen Pty Ltd further discounted the Options value for the following factors:

1. The fact that the options are unlisted:

A discount of between 30% and 50%.

2. The Incentive Options do not vest for 12 months after grant:

A discount of 5% has been applied.

The terms of the Incentive Options to be granted to Mr Alexander are set out in Annexure A and the terms of the Incentive Options to be granted to Messrs Smith, Povey and Sufredo are set out in Annexure B.

- (iv) There is no other information known to the Directors or the Company that is reasonably required by Shareholders to make a decision whether or not it is in the Company's interests to pass Resolutions 2 to 5, other than as set out throughout this Explanatory Memorandum. The Directors believe that options (for both Executive Directors and the Non-Executive Directors) are a cost effective benefit for small companies that seek to conserve cash reserves. They also provide an incentive that ultimately benefits both Shareholders and the optionholder, as optionholders will only benefit if the market value of the underlying shares exceeds the option strike price.

- (e) Details of the potential benefits and costs to the Company are listed below:

Potential Benefits

If the Incentive Options are granted pursuant to the proposed Resolutions 2 to 5, the Company considers the following benefits arise:

- Each of Peter Smith, Michael Povey, Kevin Alexander and Derrick Sufredo will have a vested interest in the affairs of the Company. As the Incentive Options are a performance based incentive, they will have that incentive to ensure the market price of the Shares increases to create value in the Incentive Options and this will benefit all Shareholders.
- The grant of Incentive Options is a non-cash form of remuneration, thus conserving liquid funds.
- The exercise of the Incentive Options will provide working capital for the company at no significant cost. If all the Incentive Options proposed to be granted pursuant to Resolutions 2 to 5 are ultimately exercised, an amount of \$725,000 would be raised.

Dilution Effect and Potential Costs

The potential cost to the Company of the grant of an aggregate of 3,000,000 Incentive Options pursuant to Resolutions 2 to 5 is that there will be a dilution of the issued share capital if the Incentive Options are exercised. The Company currently has 52,564,502 Shares on issue and 3,233,600 Options on issue (the exercise price and expiry date of which are set out below):

Number	Exercise Price	Expiry Date
733,600	20 cents each	31 March 2010
2,500,000	20 cents each	31 March 2011

The exercise of the proposed Incentive Options to related parties would have a dilution effect of approximately 5.10% of non-associated Shareholders (assuming all the Options on issue have been exercised).

Under the Australian Equivalent of IFRS, the Company is required to expense the value of the Incentive Options in its income statement over the vesting periods. The Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Incentive Options pursuant to Resolutions 2 to 5, other than, if the Incentive Options are exercised at a time when the market price of the Shares is greater than the exercise price of the Incentive Options, there will be a detriment insofar as the Company will be required to issue Shares at a price lower than it might otherwise have been able to, with the result that less funds will be raised.

4. Listing Rule 10.11

Listing Rule 10.11 requires shareholders' approval by ordinary resolution to any issue by a listed company of securities to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the issue of Incentive Options to Messrs Alexander, Smith, Povey and Sufredo as Directors.

The following information is provided to Shareholders for the purpose of Listing Rule 10.11:

- (i) the Incentive Options will be granted to Messrs Kevin Alexander, Peter Smith, Michael Povey and Derrick Sufredo or their respective nominee(s);
- (ii) the maximum number of Incentive Options to be granted to the Directors is as follows:

Name	No. of Incentive Options
Kevin Alexander	500,000
Peter Smith	1,000,000
Michael Povey	1,000,000
Derrick Sufredo	500,000

- (iii) the Incentive Options will be granted on a date which will be no later than 1 month after the date of this meeting or on such other date as approved by ASX;
- (iv) the Incentive Options will be granted for no consideration;
- (v) no funds will be raised by the grant of the Incentive Options; and
- (vi) the terms and conditions of the Incentive Options are set out in Annexure A (for the Options to be granted to Kevin Alexander) and in Annexure B (for the Options to be granted to Peter Smith, Michael Povey and Derrick Sufredo) to this Explanatory Memorandum.

If approval is given for the grant of the Incentive Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors of the Company.
Business Day	means Monday to Friday inclusive except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.
Company	means Truscott Mining Corporation Limited ACN 116 420 378.
Constitution	means the constitution of the Company.
Corporations Act	means Corporations Act 2001 (Cth).
Corporations Regulations	means Corporations Regulations 2001.
Director	means a director of the Company.
Incentive Option	means an Option to be granted to the Directors pursuant to the terms and conditions set out in Annexures A and B to the Explanatory Memorandum.
Listing Rules	means the Listing Rules of ASX.
Notice	means the Notice of General Meeting accompanying this Explanatory Memorandum.
Option	means an option to acquire a Share.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means an ordinary shareholder of the Company.
WST	means Australian Western Standard Time.

ANNEXURE A

Terms of Incentive Options to be granted to Kevin Alexander

1. GENERAL

- 1.1 No monies will be payable for the issue of the options.
- 1.2 A certificate will be issued for the options.
- 1.3 Each option shall carry the right to subscribe for one fully paid ordinary share in the Company (“**Share**”) at an exercise price of 20 cents (“**Exercise Price**”).
- 1.4 The options shall expire at 5pm on the 31 March 2011 (“**Expiry Date**”).
- 1.5 Subject to clause 3, the options may be exercised by the Optionholder at any time during the period that is between the date that is 12 months after the date of allotment of the options and the Expiry Date.
- 1.6 The issue price of Shares the subject of these options shall be payable in full on exercise of these options.
- 1.7 Options may only be exercised by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of options being exercised and the exercise price for the option specified and must be accompanied by:
 - (a) the option certificate for those options, for cancellation by the Company; and
 - (b) a cheque payable to the Company (or such other form of payment acceptable to the Board) for the aggregate Exercise Price for each Share to be issued on exercise of the options specified in the notice.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque).

- 1.8 Subject to clause 4.1, within 10 Business Days after the notice referred to in clause 1.7 becomes effective, the Board must:
 - (a) allot and issue the number of Shares to be issued in respect of the options being exercised;
 - (b) cancel the option certificate for the options being exercised; and
 - (c) if applicable, issue a new option certificate for any remaining options covered by the certificate accompanying the notice.
- 1.9 The options are not transferable other than to:
 - (a) a spouse of an Eligible Person;

- (b) the trustee of a trust in which the Eligible Person is a beneficiary; or
 - (c) the trustee of a superannuation fund of which the Eligible Person is a member.
- 1.10 Shares allotted pursuant to an exercise of options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 1.11 The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of options listed for Official Quotation, if the Company is listed on the ASX at the time.

2. PARTICIPATION, BONUS ISSUES, REORGANISATION AND WINDING UP

- 2.1 The Optionholder is not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless the Optionholder does so before the record date for the determination of entitlements to the new issue of securities and participate as a result of being holders of Shares.

The Company must give the Optionholder, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.

- 2.2 If there is a bonus share issue ("**Bonus Issue**") to the holders of Shares, the number of Shares over which an option is exercisable will be increased by the number of Shares which the Optionholder would have received if the option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- 2.3 If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any options, the Exercise Price of an option will be adjusted in accordance with the formula provided in the Listing Rules (whether or not the Company is listed on the ASX at the time).
- 2.4 If, prior to the expiry of any options, there is a reorganisation of the issued capital of the Company, then the rights of the Optionholder (including the number of options to which each Optionholder is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- 2.5 If, prior to the expiry of the options, a resolution for a members' voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to the Optionholder of the proposed resolution. The Optionholder may, during the period referred to in the notice, exercise the options.

- 2.6 For the purposes of this clause 2, if options are exercised simultaneously, then the Optionholder may aggregate the number of Shares or fractions of Shares for which the Optionholder is entitled to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of the Optionholder.
- 2.7 Any calculations or adjustments which are required to be made under this clause 2 will be made by the Board and, in the absence of manifest error, are final and conclusive and binding on the Company and the Optionholder.
- 2.8 The Company must within a reasonable period give to each Optionholder notice of any change under clause 2 to the Exercise Price of any options held by the Optionholder or to the number of Shares which the Optionholder is entitled to subscribe for on exercise of an option.

3. TAKEOVER PROVISIONS

- 3.1 Notwithstanding clause 1.5, all options may be exercised by the Optionholder:
- (a) in the event a takeover bid (as defined in the Corporations Act) to acquire any Shares becomes or is declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid or not; or
 - (b) at any time after a Change of Control Event has occurred; or
 - (c) if a merger by way of scheme of arrangement under the Corporations Act has been approved by the Court under section 411(4)(b) of the Corporations Act 2001.

4. LAPSE OF OPTIONS

- 4.1 Options not validly exercised on or before the Expiry Date will automatically lapse.
- 4.2 Subject to clause 1.5, unless otherwise determined by the Board, if the Eligible Person that is the Optionholder or that nominated the Optionholder as their nominee ceases to be an Eligible Person prior to the options being exercised then:
- (a) if the Eligible Person ceases to be an Eligible Person for a Termination Reason, any such options held by the Optionholder will automatically lapse;
 - (b) if the Eligible Person ceases to be an Eligible Person for a Specified Reason, the Optionholder, may exercise any such options held by him or her within:
 - (i) 30 days of the date (as the case may be) Retirement, Redundancy, death or Total and Permanent Disablement; or
 - (ii) such longer period as the Board determines,

- (c) Options the subject of clause 4.2(b) not exercised within 30 days or the longer period determined by the Board, will automatically lapse; and
- (d) if the Eligible Person ceases to be an Eligible Person for:
 - (i) any reason other than a Specified Reason or a Termination Reason; or
 - (ii) a Change of Control Event,

then the options shall continue to be exercisable until the Expiry Date.

- 4.3 A certificate signed by the company secretary of the Company stating that an Eligible Person ceased for any reason to be an Eligible Person shall (in the absence of manifest error) be conclusive for the purposes of these terms, both as to such occurrence and the date of such occurrence.
- 4.4 Subject to clause 4.2(b), if at any time prior to the Expiry Date of any options an Optionholder dies, the deceased Optionholder's Legal Personal Representative may:
 - (a) elect to be registered as the new holder of the deceased Optionholder's options;
 - (b) whether or not he or she becomes so registered, exercise those options in accordance with and subject to these terms as if he were the Optionholder of them; and
 - (c) if the deceased Optionholder had already given the Company a notice of exercise of his or her options, pay the Exercise Price in respect of those options.

5. INTERPRETATION

In these Terms and Conditions:

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

Board means the Board of Directors of the Company as constituted from time to time;

Business Day means Monday to Friday inclusive except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

Change of Control Event means a shareholder, or group of associated shareholders, being entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the Board;

Company means Truscott Mining Corporation Limited ACN 116 420 378;

Corporations Act means Corporations Act 2001 (Cth);

Director means a director of the Company from time to time;

Eligible Person means the person who, at the time of the grant of the options to them or their nominee, is a Director or an employee (whether full-time or part-time) of the Company or of an associated body corporate of the Company;

Legal Personal Representative means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person;

Listing Rules means the official listing rules of ASX as amended, varied, modified or waived from time to time;

Official Quotation has the meaning ascribed to it in the Listing Rules;

Optionholder means the person holding these options, being the Eligible Person or their nominee;

Redundancy means, in relation to an Eligible Person, a determination by the Board that the Company's need to employ a person for the particular kind of work carried out by that Eligible Person has ceased (but, for the avoidance of any doubt, does not include the dismissal of an Eligible Person for personal or disciplinary reasons or where the Eligible Person leaves the employ of the Company of his or her own accord);

Retirement means, in relation to an Eligible Person, retirement by that Eligible Person from the Company at age 60 or over or such earlier age as considered appropriate by the Board;

Specified Reason means Retirement, Total and Permanent Disablement, Redundancy or death;

Termination Reason means in relation to an Eligible Person, dismissal by the Board of that Eligible Person for one of the following reasons:

- (a) where the Eligible Person has engaged in wilful misconduct, bringing the Company into disrepute;
- (b) repeated disobedience by the Eligible Person, after the Eligible Person has received prior written warning in relation to any disobedience on their part;
- (c) incompetence by the Eligible Person in the performance of duties for which the Eligible Person was engaged; or
- (d) where the Eligible Person has engaged in fraud or dishonesty in respect of any the property or affairs of the Company; and

Total and Permanent Disablement means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board and with effect on a date determined by the Board, after considering such medical and other evidence as it sees fit, become

incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation for which he is reasonably qualified by education, training or experience.

ANNEXURE B

Terms of Incentive Options to be granted to Peter Smith, Michael Povey and Derrick Sufredo

1. GENERAL

- 1.1 No monies will be payable for the issue of the options.
- 1.2 A certificate will be issued for the options.
- 1.3 Each option shall carry the right to subscribe for one fully paid ordinary share in the Company (“**Share**”) at an exercise price of 25 cents (“**Exercise Price**”) to the other directors.
- 1.4 The options shall expire at 5pm on the fourth anniversary of the date of grant.
- 1.5 Subject to clause 3, the options may be exercised by the Optionholder at any time during the period that is between the date that is 12 months after the date of allotment of the options and the Expiry Date.
- 1.6 The issue price of Shares the subject of these options shall be payable in full on exercise of these options.
- 1.7 Options may only be exercised by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of options being exercised and the exercise price for the option specified and must be accompanied by:
 - (a) the option certificate for those options, for cancellation by the Company; and
 - (b) a cheque payable to the Company (or such other form of payment acceptable to the Board) for the aggregate Exercise Price for each Share to be issued on exercise of the options specified in the notice.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque).

- 1.8 Subject to clause 4.1, within 10 Business Days after the notice referred to in clause 1.7 becomes effective, the Board must:
 - (a) allot and issue the number of Shares to be issued in respect of the options being exercised;
 - (b) cancel the option certificate for the options being exercised; and
 - (c) if applicable, issue a new option certificate for any remaining options covered by the certificate accompanying the notice.

- 1.9 The options are not transferable other than to:
- (a) a spouse of an Eligible Person;
 - (b) the trustee of a trust in which the Eligible Person is a beneficiary; or
 - (c) the trustee of a superannuation fund of which the Eligible Person is a member.
- 1.10 Shares allotted pursuant to an exercise of options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 1.11 The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of options listed for Official Quotation, if the Company is listed on the ASX at the time.

2. PARTICIPATION, BONUS ISSUES, REORGANISATION AND WINDING UP

- 2.1 The Optionholder is not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless the Optionholder does so before the record date for the determination of entitlements to the new issue of securities and participate as a result of being holders of Shares.

The Company must give the Optionholder, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.

- 2.2 If there is a bonus share issue ("**Bonus Issue**") to the holders of Shares, the number of Shares over which an option is exercisable will be increased by the number of Shares which the Optionholder would have received if the option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
- 2.3 If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any options, the Exercise Price of an option will be adjusted in accordance with the formula provided in the Listing Rules (whether or not the Company is listed on the ASX at the time).
- 2.4 If, prior to the expiry of any options, there is a reorganisation of the issued capital of the Company, then the rights of the Optionholder (including the number of options to which each Optionholder is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- 2.5 If, prior to the expiry of the options, a resolution for a members' voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give

written notice to the Optionholder of the proposed resolution. The Optionholder may, during the period referred to in the notice, exercise the options.

- 2.6 For the purposes of this clause 2, if options are exercised simultaneously, then the Optionholder may aggregate the number of Shares or fractions of Shares for which the Optionholder is entitled to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of the Optionholder.
- 2.7 Any calculations or adjustments which are required to be made under this clause 2 will be made by the Board and, in the absence of manifest error, are final and conclusive and binding on the Company and the Optionholder.
- 2.8 The Company must within a reasonable period give to each Optionholder notice of any change under clause 2 to the Exercise Price of any options held by the Optionholder or to the number of Shares which the Optionholder is entitled to subscribe for on exercise of an option.

3. TAKEOVER PROVISIONS

- 3.1 Notwithstanding clause 1.5, all options may be exercised by the Optionholder:
- (a) in the event a takeover bid (as defined in the Corporations Act) to acquire any Shares becomes or is declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid or not; or
 - (b) at any time after a Change of Control Event has occurred; or
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- (a) if the Eligible Person ceases to be an Eligible Person for a Termination Reason, any such options held by the Optionholder will automatically lapse;
 - (b) if the Eligible Person ceases to be an Eligible Person for a Specified Reason, the Optionholder, may exercise any such options held by him or her within:

- (i) 30 days of the date (as the case may be) Retirement, Redundancy, death or Total and Permanent Disablement; or
- (ii) such longer period as the Board determines,
- (c) Options the subject of clause 4.2(b) not exercised within 30 days or the longer period determined by the Board, will automatically lapse; and
- (d) if the Eligible Person ceases to be an Eligible Person for:
 - (i) any reason other than a Specified Reason or a Termination Reason; or
 - (ii) a Change of Control Event,

then the options shall continue to be exercisable until the Expiry Date.

- 4.3 A certificate signed by the company secretary of the Company stating that an Eligible Person ceased for any reason to be an Eligible Person shall (in the absence of manifest error) be conclusive for the purposes of these terms, both as to such occurrence and the date of such occurrence.
- 4.4 Subject to clause 4.2(b), if at any time prior to the Expiry Date of any options an Optionholder dies, the deceased Optionholder's Legal Personal Representative may:
- (a) elect to be registered as the new holder of the deceased Optionholder's options;
 - (b) whether or not he or she becomes so registered, exercise those options in accordance with and subject to these terms as if he were the Optionholder of them; and
 - (c) if the deceased Optionholder had already given the Company a notice of exercise of his or her options, pay the Exercise Price in respect of those options.

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Change of Control Event means a shareholder, or group of associated shareholders, being entitled to sufficient shares in the Company to give it or them the ability, and

that ability is successfully exercised, in a general meeting, to replace all or a majority of the Board;

Company means Truscott Mining Corporation Limited ACN 116 420 378;

Corporations Act means Corporations Act 2001 (Cth);

Director means a director of the Company from time to time;

Eligible Person means the person who, at the time of the grant of the options to them or their nominee, is a Director or an employee (whether full-time or part-time) of the Company or of an associated body corporate of the Company;

Legal Personal Representative means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person;

Listing Rules means the official listing rules of ASX as amended, varied, modified or waived from time to time;

Official Quotation has the meaning ascribed to it in the Listing Rules;

Optionholder means the person holding these options, being the Eligible Person or their nominee;

Redundancy means, in relation to an Eligible Person, a determination by the Board that the Company's need to employ a person for the particular kind of work carried out by that Eligible Person has ceased (but, for the avoidance of any doubt, does not include the dismissal of an Eligible Person for personal or disciplinary reasons or where the Eligible Person leaves the employ of the Company of his or her own accord);

Retirement means, in relation to an Eligible Person, retirement by that Eligible Person from the Company at age 60 or over or such earlier age as considered appropriate by the Board;

Specified Reason means Retirement, Total and Permanent Disablement, Redundancy or death;

Termination Reason means in relation to an Eligible Person, dismissal by the Board of that Eligible Person for one of the following reasons:

- (a) where the Eligible Person has engaged in wilful misconduct, bringing the Company into disrepute;
- (b) repeated disobedience by the Eligible Person, after the Eligible Person has received prior written warning in relation to any disobedience on their part;
- (c) incompetence by the Eligible Person in the performance of duties for which the Eligible Person was engaged; or

- (d) where the Eligible Person has engaged in fraud or dishonesty in respect of any the property or affairs of the Company; and

Total and Permanent Disablement means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board and with effect on a date determined by the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation for which he is reasonably qualified by education, training or experience.