



**TALGA GOLD LIMITED**  
**ABN 32 138 405 419**

**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY STATEMENT**

**PROXY FORM**

**TIME:** 11:00am (WST)

**DATE:** 30 November 2010

**PLACE:** First Floor, 2 Richardson Street  
West Perth, WA 6005

**These documents should be read in their entirety. If shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor. An electronic version of the Company's 2010 Annual Report may be accessed at [www.talgagold.com](http://www.talgagold.com)**

# NOTICE OF MEETING

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Notice is hereby given that the first Annual General Meeting of the members of Talga Gold Limited ("**Talga**" or the "**Company**") will be held at First Floor, 2 Richardson Street, West Perth WA 6005 on 30 November 2010 at 11.00am (WST).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

## AGENDA

### ORDINARY BUSINESS

To receive and consider the financial report of the Company for the period ended 30 June 2010 and the reports by directors and auditors thereon.

To consider and, if thought fit, to pass, with or without modification, the following Resolutions:-

**1. Ordinary Resolution: "To elect Mr Mark Thompson as a Director"**

To consider and, if thought fit, to pass, with or without modification, the following ordinary Resolution:

***"That, Mr Mark Thompson, being a Director, retires in accordance with the Constitution and, being eligible for election, is hereby elected as a Director."***

**2. Ordinary Resolution: "To elect Mr Piers Lewis as a Director"**

To consider and, if thought fit, to pass, with or without modification, the following ordinary Resolution:

***"That, Mr Piers Lewis, being a Director, retires in accordance with the Constitution and, being eligible for election, is hereby elected as a Director."***

**3. Ordinary Resolution: "To elect Mr Sean Neary as a Director"**

To consider and, if thought fit, to pass, with or without modification, the following ordinary Resolution:

***"That, Mr Sean Neary, being a Director, retires in accordance with the Constitution and, being eligible for election, is hereby elected as a Director."***

**4. Ordinary Resolution: "Adoption of Remuneration Report" (Non-binding)**

To consider and, if thought fit, to pass, with or without modification, the following ordinary resolution:

***"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report."***

Short Explanation: The Corporations Act provides that a Resolution that the remuneration report to be adopted must be put to vote at a listed company's annual general meeting. The vote on Resolution 4 is advisory only and does not bind the Directors or the Company.

**5. Ordinary Resolution: Appointment of Auditor**

To consider, and if thought fit, to appoint Stantons International Audit and Consulting Pty Ltd trading as Stantons International as auditors of the Company:

***“That for the purposes of section 327B of the Corporations Act and for all other purposes, Stantons International Audit and Consulting Pty Ltd is appointed as the Company’s auditor.”***

#### **6. Special Resolution: Approval of Proportional Takeover Provision**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

***“That, pursuant to sections 136 and 648G of the Corporations Act 2001 (Cth), the Company’s Constitution be amended by inserting a new Clause 23 (Proportional Takeover Rule) in the form set out in the Explanatory Memorandum.”***

#### **PROXIES**

1. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of the member. If two proxies are appointed, and a member does not specify the proportion or number of the member’s votes each proxy may exercise, each proxy may exercise half the votes. A proxy need not be a member of the Company.
2. In order to vote on behalf of a company that is a shareholder of Talga, a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.
3. Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged at the registered office of the Company, at First Floor, 2 Richardson Street, West Perth Western Australia 6005, or by facsimile (61 8) 9422 9599 not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.
4. An instrument appointing a proxy:
  - a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;
  - b) may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the Resolution except as specified in the instrument;
  - c) shall be deemed to confer authority to demand or join in demanding a poll;
  - d) shall be in such form as the Directors determine and which complies with Section 250A of the Corporations Act 2001;
  - e) proxies appointing the Chairman which do not specify the way in which the proxy is to vote on a particular Resolution will be recorded as voting in favour of the Resolutions.

#### **ATTENDANCE AND VOTING ELIGIBILITY**

For the purpose of regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that Shares held at 5.00pm EST on Monday, 29 November 2010 will be taken, for the purposes of this Annual General Meeting, to be held by the persons who held them at that time

BY ORDER OF THE BOARD

**Piers Lewis**  
**Company Secretary**  
Dated: 22 October 2010

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**ABN 32 138 405 419**  
**EXPLANATORY STATEMENT**

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**INTRODUCTION**

This Explanatory Statement has been prepared for the information of Shareholders of Talga Gold Limited (“**Talga**” or the “**Company**”) in connection with Resolutions 1 to 6 of the first Annual General Meeting of members to be held at First floor, 2 Richardson Street, West Perth, Western Australia 6005, at 11.00am, 30 November 2010.

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting. Please refer to Section 8 of this Explanatory Statement for a glossary of terms.

**1. ACCOUNTS AND REPORTS**

As required under Section 317 of the Corporations Act, the annual financial report (which includes the financial statements and directors' declarations) for the period ended 30 June 2010 will be laid before the annual general meeting of the Company.

Shareholders will be given the opportunity to ask questions and make comments about the reports or the Company generally, but there will be no formal resolution submitted to the meeting.

**2. RESOLUTION 1: TO ELECT MR MARK THOMPSON AS A DIRECTOR**

Resolution 1 seeks approval for the election of Mr Mark Thompson, who retires in accordance with Clause 12.17 of the Company's Constitution and, being eligible, offers himself for election as a Director of the Company, with effect from the end of the meeting.

Mr Thompson has over 20 years industry experience in gold exploration and mining and worked extensively on resource projects throughout Australia, Africa and South America. He is a Member of the Australian Institute of Geoscientists and the Society of Economic Geologists, and as manager and director of several private geological consultancies has extensive skills in all aspects of mineral exploration and project development. For the last three years Mr Thompson was a director of ASX listed Catalyst Metals Ltd.

**3. RESOLUTION 2: TO ELECT MR PIERS LEWIS AS A DIRECTOR**

Resolution 2 seeks approval for the election of Mr Piers Lewis, who retires in accordance with Clause 12.17 of the Company's Constitution and, being eligible, offers himself for election as a Director of the Company, with effect from the end of the meeting.

Mr Lewis has over 12 years corporate experience and is currently Company Secretary at two ASX listed companies in the exploration and mining industry. He is a Chartered Accountant, qualifying in 2001 with Deloitte in Perth. Mr Lewis provides diverse financial and corporate experience with previous appointments including, Manager, Investment Banking Division, Credit Suisse – London, Senior Manager of Projects at Mizuho International and Senior Analyst, NAB Capital.

**4. RESOLUTION 3: TO ELECT MR SEAN NEARY AS A DIRECTOR**

Resolution 3 seeks approval for the election of Mr Sean Neary, who retires in accordance with Clause 12.17 of the Company's Constitution and, being eligible, offers himself for election as a Director of the Company, with effect from the end of the meeting.

Mr Neary is a certified practicing accountant with over 20 years experience in finance and commercial advisory roles. He has worked extensively with ‘Big Four’ and second tier accounting practices in Australia and large USA based companies. Mr Neary provides the Talga Gold board with a wealth of financial industry and corporate strategy experience that will ensure the company's sustainable growth towards gold production.

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**5. RESOLUTION 4 – REMUNERATION REPORT**

In accordance with Section 250R(2) of the Corporations Act, the Company must put a Resolution that the Remuneration Report be adopted to vote at the Annual General Meeting. The vote on Resolution 4 is advisory only and does not bind the Directors or the Company.

The Remuneration Report includes all of the information required by Section 300A of the Corporations Act, including:

- board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of directors, secretaries and senior managers of the Company;
- discussion of the relationship between such policy and the Company's performance; and
- the prescribed details in relation to the remuneration of each Director and certain executives.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

**6. RESOLUTION 5 – CHANGE OF AUDIT FIRM**

Due to an internal restructure of Stantons International Pty Ltd (trading as Stantons International) a new authorised audit company, Stantons International Audit and Consulting Pty Ltd trading as Stantons International, has been incorporated. In accordance with the Corporations Act 2001 there is a requirement for shareholders to approve the appointment of Stantons International Audit and Consulting Pty Ltd trading as Stantons International as the auditor of the company.

A Shareholder of the Company has nominated Stantons International Audit and Consulting Pty Ltd as the Company's auditor, a copy of which is contained in Annexure "B". The appointment of Stantons International Audit and Consulting Pty Ltd as auditor is subject to ASIC consent to the resignation of the previous audit entity.

**7. SPECIAL RESOLUTION 6 – APPROVAL OF PROPORTIONAL TAKEOVER PROVISION**

**7.1 Background**

The Corporations Act permits a company's constitution to include a provision that enables it to refuse to register the transfer of shares acquired under a proportional takeover bid unless shareholders in a general meeting approve the bid.

The Directors consider it in the interest of Shareholders to introduce a proportional takeover provision for the maximum period permitted by law, being three years. The form of the proposed rule to be inserted in the Company's constitution is set out in Annexure A to this Explanatory Memorandum.

Resolution 6 would, if passed, amend the constitution of the Company to insert the rule set out in Annexure A concerning proportional takeover approval under section 648D of the Corporations Act. The amendment would operate for three years and would then cease to apply unless renewed by a further special resolution of Shareholders. Resolution 6 is a special resolution which means that a vote to pass this Resolution is decided on a 75% majority of the votes cast by Shareholders entitled to vote on this Resolution. If Resolution 6 is passed, then for

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21 days after the Meeting the holders of 10% of the Company's shares would have the right to apply to the court to have the Resolution set aside. The court may set aside the Resolution if the court is satisfied in all the circumstances that it is appropriate to do so.

The Corporations Act requires certain information to be included in the notice of meeting where the approval of members is sought to adopt proportional takeover provisions. That information is set out below.

**7.2 Proportional Takeover Bid**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares (i.e. less than 100%).

**7.3 Effect of a Proportional Takeover Bid Provision**

If a proportional takeover bid is made, the Directors must ensure that a meeting of Shareholders is held and the Shareholders vote on a resolution to approve the takeover bid at least 14 days before the last day of the bid period. Each Shareholder has one vote for each fully paid Share held. The vote is decided on a simple majority. The bidder and its associates are not allowed to vote. If the resolution is not passed, no transfer will be registered as a result of the takeover bid and the offer will be taken to have been withdrawn. If the resolution is not voted on by the deadline, a resolution approving the bid is taken to have been passed. If the bid is approved (or taken to have been approved) all valid transfers must be registered, providing they comply with the other provisions of the Company's constitution.

The proportional takeover approval provisions do not apply to full takeover bids and will only apply for 3 years after the date of the adoption of the proposed Constitution (i.e. until 30 November 2013) unless again renewed by Shareholders.

**7.4 Knowledge of any Acquisition Proposals**

At the date of this Notice, no Director or executive officer is aware of any current proposal by any person to acquire or to increase the extent of a substantial interest in the Company.

**7.5 Reasons for and Potential Advantages and Disadvantages of Rule**

The Directors consider that the takeover approval provisions have no potential advantages or disadvantages for them, other than in their capacity as ordinary shareholders. The reasons for and potential advantages of the proposed proportional takeover approval rule for Shareholders include:

- Shareholders have the right to decide by majority vote whether to accept a proportional takeover bid;
- It may help Shareholders to avoid being locked in as a minority Shareholder and avoid the bidder acquiring control of the Company without paying an adequate control premium (i.e. not being required to pay for all of the Shares on issue);
- It increases Shareholders' bargaining power and may assist in ensuring that any proportional takeover bid is adequately priced; and
- Knowing the view of the majority of Shareholders may help each individual Shareholder to form an opinion on whether to accept or reject an offer under the bid.

The potential disadvantages of the proposed proportional takeover approval rule for Shareholders include:

- Proportional takeover bids for Shares in the Company may be discouraged;
- Shareholders may lose an opportunity to sell some of their Shares at a premium; and

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- The likelihood of a proportional takeover succeeding may be reduced.

The Directors do not believe the possible disadvantages outweigh the advantages of the proportional takeover provisions operating for the next three years.

**7.6 Directors' Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 6. The Chairman intends to vote undirected proxies in favour of this Resolution. Each Director intends to vote any Shares that he or she holds or controls (directly or indirectly) "FOR" the Resolution.

**ACTION TO BE TAKEN BY SHAREHOLDERS**

**Shareholders should read this Explanatory Statement carefully before deciding how to vote on each Resolution.**

**Attached to the Notice of Meeting is a proxy form for use by Shareholders. Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to complete, sign and return the proxy form to the Company in accordance with the instructions contained in the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a shareholder from attending and voting at the Meeting in person.**

**Enquiries**

All enquiries in relation to the contents of the Notice of Meeting or Explanatory Statement should be directed to the Company Secretary, Mr Piers Lewis (telephone: +61 409 374 893).

## 8. GLOSSARY OF TERMS

In this Explanatory Statement the following terms have the meaning set out below:

<b>"ACN"</b>	Australian Company Number
<b>"Annual Report"</b>	The Company's report including the reports of the Directors and auditor of the Company and the financial statements of the Company for the period ended 30 June 2010.
<b>"ASIC"</b>	Australian Securities and Investments Commission.
<b>"ASX"</b>	ASX Limited (ACN 008 624 691)
<b>"ASX Listing Rules" or "Listing Rules"</b>	The Official Listing Rules of ASX as amended from time to time.
<b>"Corporations Act"</b>	The Corporations Act 2001 (Commonwealth).
<b>"Director"</b>	A director of Talga Gold Limited.
<b>"Talga" or "Company"</b>	Talga Gold Limited (ABN 32 138 405 419).
<b>"Meeting" or "Annual General Meeting"</b>	The Meeting of the Company to be held on 30 November 2010.
<b>"Notice of Meeting"</b>	The notice convening the Meeting, which accompanies this Explanatory Statement.
<b>"Remuneration Report"</b>	The remuneration report appearing in the Annual Report
<b>"Resolutions"</b>	The Resolutions set out in the Notice of Meeting.
<b>"Share"</b>	A fully paid ordinary share in the capital of the Company.
<b>"Shareholder"</b>	The registered holder of a Share in the Company.
<b>"WST"</b>	Australian Western Standard Time



TALGA GOLD LTD  
ACN 138 405 419

ANNUAL GENERAL MEETING

PROXY FORM

The Secretary  
Talga Gold Ltd  
PO BOX 720  
West Perth WA 6872  
Fax: +61 8 9422 9599

**Appointment of Proxy**

I/We

Of

being a member of Talga Gold Ltd entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting to be held at First Floor, 2 Richardson Street, WEST PERTH Western Australia on **30 November 2010 at 11.00am** (WST) and at any adjournment thereof. If no directions are given, the Chairman of the Meeting will vote in favour of each resolution.

**Voting on Business of the Annual General Meeting**

	FOR	AGAINST	ABSTAIN
<b>1. Election of Director - Mr Thompson</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2. Election of Director - Mr Lewis</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>3. Election of Director - Mr Neary</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>4. Adoption of Remuneration Report</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>5. Change of Audit firm</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>6. Approval of Proportional Takeover Provision</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%

Signed this                      day of    2010

By:

**Individuals and joint holders**

**Companies (affix common seal if appropriate)**

Signature

Director/Company Secretary

Signature

Director/Company Secretary

Signature

Sole Director and Sole Company

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**INSTRUCTIONS FOR COMPLETING PROXY FORM**

**PROXY VOTES**

A vote given in accordance with the terms of an instrument or proxy is valid notwithstanding the previous death or unsoundness of mind of the principal, the revocation of the instrument (or the authority under which the instrument was executed), or the transfer of the Share in respect of which the instrument or power is given, if no intimation in writing of the death, unsoundness of mind, revocation or transfer has been received by the Company at the Registered Office at least 24 hours before the commencement of the Meeting or adjourned Meeting at which the instrument is used or the power is exercised.

**REPRESENTATIVES OF CORPORATE SHAREHOLDERS**

A body corporate ("**the Appointor**") that is a Shareholder may authorise, in accordance with Section 250D of the Corporations Act 2001, by resolution of its Directors or other governing body such person or persons as it may determine to act as its Representative at any Meeting of the Company or of any class of Shareholders. A person so authorised shall be entitled to exercise all the rights and privileges of the Appointor as a Shareholder. When a Representative is present at a Meeting of the Company, the Appointor shall be deemed to be personally present at the Meeting unless the Representative is otherwise entitled to be present at the Meeting.

The completed Form of proxy may be:

- Mailed to Talga Gold Ltd, PO Box 720, West Perth Western Australia 6872; or
  - Left at, First Floor, 2 Richardson Street, West Perth, Western Australia; or
  - Faxed to the Company on +61 8 9422 9599,
- so that it is received no later than 48 hours prior to the commencement of the meeting.

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**ANNEXURE A**

**Proportional Takeover Approval Rule**

**23.1 Definitions**

**approving resolution** has the same meaning as in section 648D of the Corporations Act;

**approving resolution deadline** has the same meaning as in section 648D of the Corporations Act;

**associate** has the meaning specified in section 9 of the Corporations Act for the purposes of Chapter 6 of the Corporations Act;

**proportional takeover bid** has the meaning specified in section 9 of the Corporations Act.

**23.2 Prohibition on registration of transfers without approval**

Where a proportional takeover bid in respect of shares included in a class of shares in the Company has been made:

- a) the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the proportional takeover bid is prohibited unless and until a resolution to approve the proportional takeover bid is passed in accordance with this Constitution;
- b) a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the proportional takeover bid was made, held shares included in that class is entitled to vote on an approving resolution and, for the purposes of so voting, is entitled to 1 vote for each such share;
- c) neither the bidder nor an associate of the bidder may vote on an approving resolution;
- d) an approving resolution must be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the resolution under the Corporations Act; and
- e) an approving resolution is taken to have been passed if the proportion which the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.

**23.3 Meetings**

- a) The provisions of this Constitution relating to a general meeting of the Company apply, with such modifications as the circumstances require (including, without limitation, to the requisite notice period to ensure that the meeting is convened on or before the approving resolution deadline), in relation to a meeting that is convened for the purposes of this Clause 23.
- b) Where takeover offers have been made under a proportional takeover bid, then the Directors must ensure that a resolution to approve the proportional takeover bid is voted on in accordance with this Clause 23 before the approving resolution deadline in relation to the proportional takeover bid.
- c) Where a resolution to approve a proportional takeover bid is voted on in accordance with this Clause 23 before the approving resolution deadline in relation to the proportional takeover bid, the Company must, on or before the approving resolution deadline:
  - i) give to the bidder; and
  - ii) serve on the Exchange,

A written notice stating that a resolution to approve the proportional takeover bid has been voted on and that the resolution has been passed or has been rejected, as the case requires.

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**23.4 Approving resolution deemed to have been passed**

Where, as at the end of the day before the approving resolution deadline in relation to a proportional takeover bid under which offers have been made, no resolution to approve the proportional takeover bid has been voted on in accordance with this Clause 23, then a resolution to approve the proportional takeover bid is, for the purposes of this Clause 23, deemed to have been passed in accordance with this rule.

**23.5 Proportional takeover bid rejected**

Where an approving resolution is voted on and is rejected then:

- a) despite section 652A of the Corporations Act, all offers under the proportional takeover bid that have not, as at the end of the approving resolution deadline, resulted in binding contracts are deemed to be withdrawn at the end of the approving resolution deadline;
- b) the bidder must immediately, after the end of the approving resolution deadline, return to each Member any documents that were sent by the Member to the bidder with the acceptance of the offer;
- c) the bidder may rescind and must, as soon as practicable after the end of the approving resolution deadline, rescind each contract resulting from the acceptance of an offer made under the proportional takeover bid; and
- d) a Member who has accepted an offer made under the proportional takeover bid is entitled to rescind the contract (if any) resulting from that acceptance.

**23.6 Effect of this Clause**

This Clause 23 ceases to have effect on the third anniversary of the later of the date of its adoption or of its most recent renewal.

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**ANNEXURE "B" – AUDITOR NOMINATION**

21 October 2010

The Directors  
Talga Gold Limited  
First Floor  
2 Richardson Street,  
WEST PERTH  
Western Australia 6005

Dear Sirs

**NOMINATION OF AUDITOR**

In accordance with the provisions of section 328B of the Corporations Act, I, Piers Lewis, being a member of Talga Gold Limited, hereby nominate Stantons International Audit and Consulting Pty Ltd trading as Stantons International for appointment as auditor of Talga Gold Limited.

Yours faithfully



Piers Lewis