

**MOTO GOLDMINES LIMITED**

NOTICE OF 2006 ANNUAL AND SPECIAL MEETING  
OF SHAREHOLDERS OF  
MOTO GOLDMINES LIMITED  
TO BE HELD ON JUNE 6, 2006

MANAGEMENT INFORMATION CIRCULAR

## NOTICE OF ANNUAL AND SPECIAL MEETING

TO THE HOLDERS OF COMMON SHARES OF MOTO GOLDMINES LIMITED:

The Annual and Special Meeting (the "Meeting") of Moto Goldmines Limited (the "Corporation") will be held in the British Columbia Room at The Fairmont Royal York, 100 Front Street West, Toronto, Ontario on Tuesday, June 6, 2006 at 10:00 a.m., local time, for the following purposes:

1. To place before the Meeting the consolidated financial statements of the Corporation for the financial year ended December 31, 2005, and the auditors' report thereon.
2. To consider and, if thought fit, to pass a resolution setting the number of directors constituting the Board of Directors of the Corporation at six, as further contemplated in the accompanying Management Information Circular.
3. To elect the directors for the ensuing year.
4. To appoint auditors for the ensuing year.
5. To consider and, if thought fit, to pass, for the purposes of Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange ("ASX") and for all other purposes, a resolution ratifying the previous allotment and issuance on March 30, 2006 of 5,500,000 Common Shares, as further contemplated in the accompanying Management Information Circular.
6. To consider and, if thought fit, to pass, for the purposes of ASX Listing Rule 7.4 and for all other purposes, a resolution ratifying the previous allotment and issuance on May 2, 2006 of 500,000 warrants (which may be exercised into Common Shares) to Alchemy Securities Pty Ltd., the nominee of RFC Corporate Finance Ltd., as further contemplated in the accompanying Management Information Circular.
7. To consider and, if thought fit, to pass, for the purposes of ASX Listing Rule 10.14 and for all other purposes, resolutions approving the grant of options to non-employee directors, as further contemplated in the accompanying Management Information Circular.
8. To consider and, if thought fit, to pass, for the purposes of ASX Listing Rule 10.14 and for all other purposes, a resolution approving the grant of options to the President and Chief Executive Officer of the Corporation, Mr. Klaus P. Eckhof, as further contemplated in the accompanying Management Information Circular.

9. To consider and, if thought fit, to pass, for the purposes of ASX Listing Rule 10.17 and for all other purposes, a resolution approving a pool of funds for non-employee directors' fees.
10. To transact such other business as may properly come before the Meeting.

The resolutions to be considered as described above are set out in the Information Circular accompanying this Notice. See "Particulars of Matters to Be Acted Upon".

The directors have fixed the close of business on Wednesday, May 3, 2006 as the record date for determining Shareholders who are entitled to attend and vote at the Meeting.

The consolidated financial statements for the financial year ended December 31, 2005 and the auditors' report thereon are enclosed with this Notice.

If you cannot attend the Meeting in person, you are encouraged to date, sign and deliver the accompanying proxy and return it in the enclosed envelope to the Corporation, c/o Equity Transfer Services Inc., Suite 420, 120 Adelaide Street West, Toronto, Ontario, M5H 4C3 prior to 5 p.m. Toronto time on Friday, June 2, 2006.

DATED at Sydney, New South Wales, Australia, on May 3, 2006.

By order of the Board  
(*signed*) Patrick J. Flint  
Chief Financial Officer and  
Corporate Secretary

## MANAGEMENT INFORMATION CIRCULAR

May 3, 2006

### SOLICITATION OF PROXIES

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of **MOTO GOLDMINES LIMITED** (the "Corporation") for use at the Annual and Special Meeting of the Corporation (the "Meeting") to be held on Tuesday, June 6, 2006, and any adjournments thereof, at the time and place and for the purposes set forth in the accompanying Notice of Annual and Special Meeting. The cost of solicitation of proxies will be borne by the Corporation.

The method that holders of an interest in common shares in the capital of the Corporation ("Common Shares") will use to vote their respective Common Shares will depend on the manner in which such Common Shares are held by such Shareholder.

In the case of holders of CDIs (typically shareholders in Australia), please refer to "Voting by CDI Holders" and "CDI Holders May Give Direction to CDI Depository Nominee".

In the case of holders of DIs (typically shareholders in the United Kingdom), please refer to "Voting by DI Holders" and "DI Holders May Give Direction to DI Depository Nominee".

In the case of registered holders of Common Shares, whether legal or beneficial, (typically shareholders in North America), please refer to "Voting by Proxies", "Advice to Beneficial Holders of Shares" and "Revocability of Proxies" below.

### STATEMENT REGARDING NON-OBJECTING BENEFICIAL SHAREHOLDERS

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

### VOTING BY PROXIES

This section headed "Voting by Proxies" only applies to registered holders (a "Shareholder") of common shares of the Corporation ("Common Shares"). Holders of CDIs and DIs should refer to the sections of this Information Circular headed "CDI Holders May Give Direction to CDI Depository Nominee" and "DI Holders May Give Direction to DI Depository Nominee" respectively.

The form of proxy accompanying this Management Information Circular confers discretionary authority upon each proxy nominee with respect to any amendments or variations to the matters identified in the Notice of Annual and Special Meeting and any other matters which may properly come before the Meeting. On any ballot, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder as specified in the proxy with respect to any matter to be acted on. **If a choice is not specified with respect**

**to any matter, the Common Shares represented by a proxy given to management are intended to be voted for the nominees of management for Directors and Auditors and in favour of each of the resolutions specified in the notice of the meeting. A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for the Shareholder and on the Shareholder's behalf at the Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy.** Proxies must be delivered to the Corporation c/o Equity Transfer Services Inc., Suite 420, 120 Adelaide Street West, Toronto, Ontario, M5H 4C3 prior to 5 p.m. Toronto time on Friday, June 2, 2006. A self-addressed envelope is enclosed.

Management of the Corporation are not aware of any amendments to the matters to be presented for action at the Meeting or of any other matters to be presented for action at the Meeting.

### **ADVICE TO BENEFICIAL HOLDERS OF SHARES**

**The information set forth in this section is of significant importance to persons who beneficially own Common Shares, as a substantial number of such persons do not hold Common Shares in their own name.** Persons who hold Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold such securities in their own name (referred to in this section as "Beneficial Holders") should note that only proxies deposited by persons whose names appear on the records of the Corporation may be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Holder by a broker, then in almost all cases those Common Shares will not be registered in the Beneficial Holder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the broker or an agent of that broker. In Canada, the vast majority of shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers, agents or nominees can only be voted (for or against resolutions) upon the written instructions of the Beneficial Holder. Without specific instructions, brokers, agents and nominees are prohibited from voting securities for their clients. **Therefore, Beneficial Holders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person by the appropriate time.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Holders in advance of shareholders' meetings. Each intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Holders to ensure that their Common Shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form supplied to a Beneficial Holder by its broker, agent or nominee is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Holder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Independent Investor Communications Corporation ("IICC"). IICC typically supplies a voting instruction form, mails those forms to the Beneficial Holders and asks Beneficial Holders to return the forms to IICC or follow specified telephone voting procedures. IICC then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the appropriate Meeting. **A Beneficial Holder receiving a voting instruction form from IICC cannot use that form to vote Common Shares directly at the Meeting - the**

**voting instruction forms must be returned to IICC or the telephone procedures completed well in advance of the Meeting in order to have such shares voted.**

Although Beneficial Holders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Holder may attend at the Meeting as proxyholder for the Shareholder and vote the Common Shares, as the case may be, in that capacity. Beneficial Holders who wish to attend at the Meeting and indirectly vote their Common Shares, as the case may be, as proxyholder for the registered Shareholder, should enter their own names in the blank space on the form of proxy or voting instruction form provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

### **REVOCABILITY OF PROXIES**

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the Articles of the Corporation, which provide that every proxy may be revoked by an instrument in writing executed by the Shareholder or, if the Shareholder is an individual, by his or her legal personal representative or trustee in bankruptcy, or, if the Shareholder is a corporation, by a representative appointed for the corporation in accordance with the Articles of the Corporation, and either received at the registered office of the Corporation at any time up to and including the last business day before the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or provided to the chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

A proxy is valid only in respect of the Meeting.

### **VOTING BY CDI HOLDERS**

Many shareholders having an interest in the Common Shares hold such interests in the form of CDIs (CHESS Depository Interests). CHESS is the electronic settlement system used in Australia. The main difference between holding CDIs and holding shares is that a holder of CDIs has beneficial ownership of the equivalent number of shares calculated in the ratio of 5 CDIs for each Common Share of the Corporation instead of legal title. Legal title is held by the depository entity, CHESS Depository Nominees Pty Ltd. (the "CDI Depository Nominee"). The shares registered in the name of the CDI Depository Nominee are held by that entity on behalf of and for the benefit of the CDI holders.

Pursuant to Section 10.5 of the Articles of the Corporation, holders of CDIs are entitled to attend the Meeting.

### **CDI HOLDERS MAY GIVE DIRECTIONS TO CDI DEPOSITORY NOMINEE**

CDI holders are not entitled to vote at the Meeting in person. However, each CDI holder has the right to direct the CDI Depository Nominee how to vote in respect of their CDIs on the resolutions described in the Notice of Meeting. The CDI Depository Nominee must vote in accordance with any direction given by a CDI holder.

If you are a CDI holder and you wish to direct the CDI Depository Nominee how to vote in respect of your CDIs, you should read, complete, date and sign the accompanying Notice of Voting Direction and deposit it with Advanced Share Registry Services at 110 Stirling Highway,

Nedlands, Western Australia, Australia, 6009 not later than the close of business in Perth, Western Australia, on Friday, June 2, 2006.

The CDI Depository Nominee shall exercise its right to vote at the Meeting by proxy.

Where the proxy is required to vote on multiple resolutions, the CDI Depository Nominee must instruct the proxy holder to vote in such manner as will, in the reasonable opinion of the CDI Depository Nominee, best represent the wishes of the majority of CDI holders.

### **VOTING BY DI HOLDERS**

Some shareholders having an interest in the Common Shares hold such interests in the form of CREST DIs (Depository Interests). CREST is the electronic settlement system used in the United Kingdom for securities that trade on AIM. The main difference between holding DIs and holding shares is that a holder of DIs has beneficial ownership of the equivalent number of shares calculated in the ratio of 1 DI for each Common Share of the Corporation instead of legal title. Legal title is held by the depository entity in the United Kingdom appointed by the Corporation, (the "DI Depository Nominee"). The shares registered in the name of the DI Depository Nominee are held by that entity on behalf of and for the benefit of the DI holders.

The Corporation will permit holders of DIs to attend the Meeting.

### **DI HOLDERS MAY GIVE DIRECTIONS TO DI DEPOSITORY NOMINEE**

DI holders are not entitled to vote at the Meeting in person. However, each DI holder has the right to direct the DI Depository Nominee how to vote in respect of their DIs on the resolutions described in the Notice of Meeting. The DI Depository Nominee must vote in accordance with any direction given by a DI holder.

If you are a DI holder and you wish to direct the DI Depository Nominee how to vote in respect of your DIs, you should read, complete, date and sign the accompanying Notice of Voting Direction and deposit it with Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, UK, BS13 8AE not later than the close of business in London, UK, on Friday, June 2, 2006.

The DI Depository Nominee shall exercise its right to vote at the Meeting by proxy.

### **PERSONS MAKING THE SOLICITATION**

This solicitation of proxies is made by management of the Corporation. The cost of the solicitation has been and will be borne by the Corporation.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The authorized capital of the Corporation consists of an unlimited number of Common Shares, of which 56,260,316 Common Shares are issued and outstanding as of May 1, 2006.

The Common Shares are entitled to be voted at the Meeting. On a ballot each Common Share is entitled to one vote.

The record date for determination of the Shareholders entitled to attend and vote at the Meeting and for the determination of holders of CDIs and holders of DIs entitled to give voting instructions and to attend at the Meeting is May 3, 2006.

A simple majority of votes cast are required to approve all matters to be submitted to a vote of Shareholders at the Meeting, subject to certain exclusions of votes as contemplated below.

### **FINANCIAL STATEMENTS**

The audited financial statements of the Corporation for the year ended December 31, 2005 and the report of the auditors thereon will be placed before the Meeting for consideration of the Shareholders.

### **DETERMINATION OF NUMBER OF DIRECTORS**

***Resolution 1: Determination of Number of Directors***

The number of directors constituting the Board of Directors of the Corporation is currently set at seven. Mr. Douglas A. Jones resigned as a director of the Corporation on March 30, 2006. The Articles of the Corporation provide that the Shareholders set the number of directors of the Corporation by ordinary resolution.

The Shareholders will be asked to consider and, if thought fit, to pass, the following resolution:

*RESOLVED THAT the number of directors that will constitute the Board of Directors of the Corporation be set at six.*

### **ELECTION OF DIRECTORS**

Management of the Corporation has proposed that the number of directors of the Corporation be set at six. Each of the persons whose name appears hereunder is proposed by management to be nominated for election as a director of the Corporation to serve until the next annual meeting of the Shareholders of the Corporation or until he sooner ceases to hold office. It is intended that the Common Shares represented by proxies solicited by management will be voted in favour of the election of such persons as directors of the Corporation if no choice in respect of such election is specified in the proxy. The following information concerning respective nominees has been furnished by them:

<b><u>Name and Residence</u></b>	<b><u>Director Since</u></b>	<b><u>Principal Occupation</u></b>	<b><u>Common Shares beneficially owned directly or indirectly</u></b>
Samuel Jonah KBE Johannesburg, South Africa	August 2, 2005	Non-executive President of AngloGold Ashanti Limited (May 2004 to present); Managing Director, Ashanti Goldfields Company Limited (1996 to May 2004)	Nil
Klaus P. Eckhof Trigg, Western Australia, Australia	May 18, 2005	Chief Executive Officer of the Corporation (2003 to present); Self employed as a geological consultant (1994 to 2003)	550,000



<u>Name and Residence</u>	<u>Director Since</u>	<u>Principal Occupation</u>	<u>Common Shares beneficially owned directly or indirectly</u>
T. Sean Harvey Toronto, Ontario, Canada	May 18, 2005	President & Chief Executive Officer of Orvana Minerals Corp. (April 2005 to present); Chairman of Andina Minerals Corp (January 2004 to March 2005), President and Chief Executive Officer of Atlantico Gold Inc. (May 2003 to January 2004); President and Chief Executive Officer of TVX Gold Inc. (April 2001 to January 2003); Independent financial consultant (April 2000 to March 2001)	38,400
David L. Hodgson Johannesburg, South Africa	August 18, 2005	Self employed consultant (May 2005 to present); Chief Operating Officer of AngloGold Ashanti (Nov 2001 to April 2005); Executive Officer South Africa Region of AngloGold (1999 to October 2001)	Nil
Walter H. Kansteiner Middleburg, Virginia, USA	August 18, 2005	Principal of The Scowcroft Group (2003 to present); USA State Department (2001 to 2003); Principal of The Scowcroft Group (1993 to 2001)	Nil
Jeffrey O'Leary Middlesex, United Kingdom	October 5, 2006	Self employed consultant (2005 to present); Director Metals and Mining HSBC plc (2000 to 2005)	Nil

**Notes:**

- (1) The Corporation is required to have an Audit Committee. The members of this committee are Messrs. Jonah, Harvey and O'Leary.
- (2) The directors have established a Nomination and Corporate Governance Committee. The members of this committee are Messrs. Jonah, Hodgson, O'Leary and Kansteiner.
- (3) The directors have established a Compensation Committee. The members of this committee are Messrs. Kansteiner, Jonah, Harvey and Hodgson.
- (4) The directors have established a Technical Committee. The members of this committee are Messrs. Hodgson, O'Leary, Greg Smith (Exploration Manager) and Andrew Dinning (Chief Operating Officer).

The term of office of each director of the Corporation expires at each annual meeting of the Shareholders of the Corporation.

### **APPOINTMENT OF AUDITORS**

Management proposes to nominate parker simone LLP as auditors of the Corporation to hold office until the next Annual Meeting of the Shareholders of the Corporation. parker simone LLP was first appointed to such office in May, 2005.

Information required by Multilateral Instrument 52-110 regarding the Audit Committee of the Corporation and external auditor service fees (by category) is included in section 15, entitled "Audit Committee", of the Annual Information Form of the Corporation for the fiscal year ended December 31, 2005, which is incorporated by reference into this information circular.

## BASIS OF PRESENTATION OF FINANCIAL INFORMATION

The Corporation was formed as a result of the merger (“Merger”) on May 26, 2005 between King Products Inc. (“King”), a corporation governed under the laws of Ontario, and Moto Goldmines Limited (“Moto Australia”), a corporation governed under the laws of Australia. Moto Australia’s financial year end was June 30. King’s financial year end was December 31. Consequent upon the Merger, King acquired all the shares of Moto Australia, shareholders of Moto Australia became shareholders of King and, following completion of the Merger, King changed its name to Moto Goldmines Limited. The Corporation was also continued under the laws of British Columbia and is now governed by the *Business Corporations Act* (British Columbia).

The consolidated financial statements of the Corporation for the period ended December 31, 2005 were prepared to reflect the combination occurring on May 26, 2005 and are based on a business combination under the purchase method, applying reverse takeover accounting. Under reverse takeover accounting, Moto Australia is deemed to be the acquirer and the continuing entity. The financial statements of the combined entity are issued under the name of the legal parent, Moto Canada, but are considered to be a continuation of the financial statements of the legal subsidiary, Moto Australia.

In September 2005 the Corporation decided to change its the year end from June 30 to December 31.

As a result financial information presented in this document is for the 6 month period ended December 31, 2005. In addition, financial information for the 12 month periods ended June 30, 2005 and June 30, 2004 is that of Moto Australia.

## STATEMENT OF EXECUTIVE COMPENSATION

### Summary Compensation Table

The following executive compensation disclosure is provided in respect of the Corporation’s Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer (the “Named Executive Officers”) for the Corporation’s three most recently completed financial years. No other executive officer of the Corporation or its subsidiaries earned in excess of C\$150,000 during the financial period covered by the following table. Although not a statutory requirement the disclosure is provided for the Chief Operating Officer in accordance with the principles of good corporate governance.

		Annual Compensation		Long Term Compensation
NEO Name and Principal Position (a)	Year <sup>(3)</sup> (b)	Salary (A\$) (c)	Other Annual Compensation (A\$) (e)	Securities Under Options / SARs Granted (#) (f)
Klaus P. Eckhof <sup>(1)</sup> (Chief Executive Officer)	Dec 2005	A\$126,666	A\$nil	Nil
	Jun 2005	A\$180,000	A\$nil	Nil
	Jun 2004	A\$145,000	A\$nil	600,000

		Annual Compensation		Long Term Compensation
NEO Name and Principal Position (a)	Year <sup>(3)</sup> (b)	Salary (A\$) (c)	Other Annual Compensation (A\$) (e)	Securities Under Options / SARs Granted (#) (f)
Patrick J. Flint (Chief Financial Officer)	Dec 2005	A\$67,523	A\$6,077	Nil
	Jun 2005	A\$120,000	A\$10,800	Nil
	Jun 2004	A\$90,000	A\$8,100	200,000
Andrew Dinning <sup>(2)</sup> (Chief Operating Officer)	Dec 2005	A\$55,378	A\$5,760	1,000,000
	Jun 2005	A\$nil	A\$nil	Nil
	Jun 2004	A\$nil	A\$nil	Nil

**Notes:**

- (1) Mr. Eckhof was appointed a director in February 2003.
- (2) Mr. Dinning was appointed Chief Operating Officer in October 2005.
- (3) Refer above section Basis of Presentation of Financial Information.
- (4) None of the Named Executive Officers received any bonuses, restricted shares or restricted share units, long term incentive plan payouts or any compensation other than noted above during the relevant periods.

**Option Grants During the Most Recently Completed Financial Year**

The following table discloses individual grants of options to purchase or acquire securities of the Corporation made during the most recently completed financial year to each Named Executive Officer.

Name (a)	Securities Under Options Granted (#) (b)	Percent of Total Options Granted to Employees in Financial Year (c)	Exercise or Base Price (C\$/Security) (d)	Market Value of Securities Underlying Options on the Date of Grant (C\$/Security) (e)	Expiration Date (f)
Andrew Dinning <sup>(1)</sup>	1,000,000	25%	C\$3.00	C\$2.95	October 31, 2011

**Notes:**

- (1) Mr. Dinning's options vest 12 months after issue, on October 31, 2006.

**Aggregated Options Exercised During Most Recently Completed Financial Year**

The following table discloses all options exercised during the most recently completed financial year by each Named Executive Officer and the financial year end value of unexercised options on an aggregated basis.

Named Executive Officer	Securities Acquired on Exercise (#)	Aggregate Value Realized (A\$)	Unexercised Options at FY-End (#) Exercisable/Unexercisable	Value of Unexercised in the Money Options at FY-End (\$) Exercisable/Unexercisable
(a)	(b)	(c)	(d)	(e)
Klaus P. Eckhof <sup>(1)</sup> (Chief Executive Officer)	400,000	\$450,000	Nil	Nil

**Notes:**

(1) Mr. Eckhof exercised 200,000 options at an exercise price of A\$1.00 and 200,000 options at an exercise price of A\$1.25 in August 2005.

**Termination of Employment, Change in Responsibility and Employment Contracts**

The Corporation has entered into a written employment contract with Andrew Dinning. The Corporation has unwritten employment arrangements with each of Klaus Eckhof and Patrick Flint. The Agreements provide for current salary and benefit entitlements. Further details are set out below.

(i) Employment arrangement with Klaus Eckhof (President and Chief Executive Officer)

Gross remuneration of A\$400,000 per annum (from November 1, 2005). Entitled to stock options and cash bonuses at Board discretion.

(ii) Employment arrangement with Patrick Flint (Corporate Secretary and Chief Financial Officer)

Gross remuneration of A\$180,000 per annum (from November 1, 2005). Entitled to stock options and cash bonuses at Board discretion.

(iii) Employment contract with Andrew Dinning (Chief Operating Officer)

Gross remuneration of A\$265,000 per annum (from commencement in October 2005); contributions to pension plan at 10 per cent of annual salary; grant of 1,000,000 stock options (granted 31 October 2005, vest 31 October 2006), subject to regulatory approval, and expiring 6 years after grant; to be granted an additional 1,000,000 stock options upon completion of a bankable feasibility study, with these additional options being exercisable at the then current market price and expiring 6 years after grant. Either party may terminate employment for any reason on giving 6 months' written notice or, at the Corporation's option, payment of 6 months' remuneration in lieu of notice.

**Composition of the Compensation Committee**

The Compensation Committee, on behalf of the Board of Directors, has been delegated the responsibility for all matters relating to compensation of executive officers of the Corporation. Each of Walter Kansteiner, Sam Jonah, Sean Harvey and David Hodgson, who are all independent directors of the Corporation, were members of the Compensation Committee during the most recently completed financial year.

## **Report on Executive Compensation**

The role of the Compensation Committee is to oversee and provide support to the Board concerning the Corporation's remuneration policies and practices, including the overall remuneration strategy and the awards of stock options. Where possible the committee will verify the appropriateness of existing remuneration levels using external sources for comparison. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and level of performance and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. All director and executive appointments and remuneration matters are decided by the full Board, after considering recommendations of the Compensation Committee, with the overall objective of ensuring maximum shareholder benefit from the retention of a high quality Board and executive team.

The Compensation Committee compares the nature and amount of the directors' and executives' emoluments to performance against goals set for the year and considers relevant comparative information, independent expert advice, and the financial position of the Corporation. Remuneration packages include a mix of fixed remuneration and short and long-term performance-based incentives. Bonuses may be paid based on the achievement of performance hurdles.

Fixed remuneration consists of base remuneration and statutory superannuation entitlements. Remuneration levels are set by the Board based on individual performance and the performance of the Corporation.

Performance-linked remuneration includes both short-term and long-term incentives. The short-term incentive is provided in the form of cash, while the long-term incentive is provided as stock options. The Board exercises discretion in determining the amount of short-term incentives paid and stock options issued. Performance is measured by the efficiency and effectiveness of the implementation of the corporate strategy and efficiency, effectiveness and success of the exploration and development programme. Performance-based remuneration is not based on specific financial indicators such as earnings or dividends as the Corporation is at the exploration and development stage and during this period is expected to incur operating losses.

All executives and senior employees of the Corporation are eligible to participate in the Corporation's Stock Option Plan as an incentive and in recognition of the fact that the fixed cash component of remuneration is comparatively modest. The ability to exercise the options is conditional on the holder remaining in the Corporation's employment. There are no other non-cash benefits available to directors or employees. There is no separate profit-sharing plan.

The maximum number of Common Shares issuable upon the exercise of options pursuant to the Corporation's Stock Option Plan is equal to 15% of the issued and outstanding Common Shares of the Corporation on a rolling basis (i.e. 15% of the number of Common Shares on issue from time to time immediately prior to any grant of options). As at December 31, 2005 the total number of Common Shares issuable upon the exercise of options pursuant to the Corporation's Stock Option Plan was 5,240,000 (representing 11.6% of the then issued and outstanding Common Shares of the Corporation). The number and terms of the stock options already outstanding is taken into account when issuing new stock options.

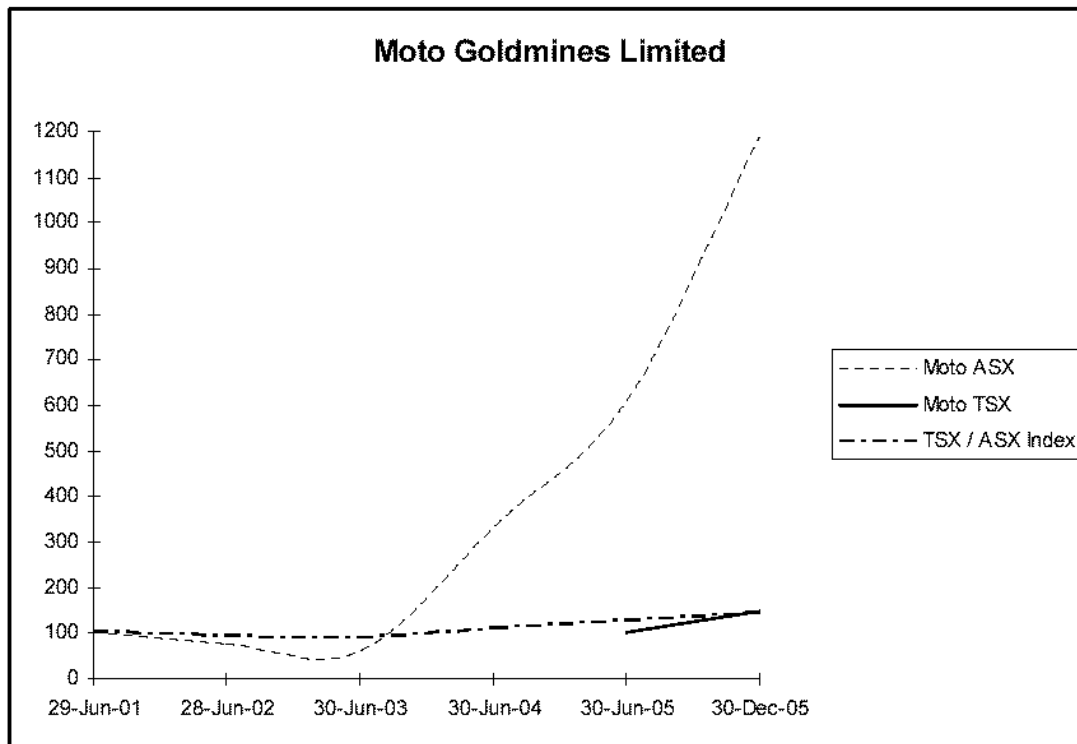
## Compensation of the Chief Executive Officer

The compensation of the Chief Executive Officer is approved annually by the Board of Directors. Base cash compensation levels are based on industry standards (for gold exploration companies). At present the CEO does not have a written employment contract, nor is there any agreed incentive based salary component in his employment arrangement.

The Corporation's performance is considered when considering the CEO's compensation. Performance is measured by the efficiency and effectiveness of the implementation of the corporate strategy and efficiency, effectiveness and success of the exploration and development programme. Specific financial indicators such as earnings or dividends are not considered as the Corporation is at the exploration and development stage and during this period is expected to incur operating losses.

### **Performance Graph**

The chart below compares, assuming an initial investment of C\$100, the yearly percentage change in the cumulative total shareholder return on the Corporation's Common Shares against the cumulative total shareholder return of the S&P/TSX Composite Index for the Corporation's two most recently completed financial years following the Merger, the years ended June 30, 2005 and December 31, 2005, and the S&P/ASX 200 Index for Moto Australia's three most recently completed financial years prior to the Merger, the years ended June 30, 2002, June 30, 2003 and June 30, 2004.



	June 29, 2001	June 28, 2002	June 30, 2003	June 30, 2004	June 30, 2005	December 30, 2005
<b>Moto Australia</b>	A\$100	A\$77	A\$58	A\$333	A\$609	A\$1,188
<b>The Corporation</b>					C\$100	C\$147
<b>S&amp;P/ASX 200 Index</b>	A\$100	A\$92.35	A\$87.55	A\$103.07	A\$126.90	A\$137.48
<b>S&amp;P/TSX Composite Index</b>	C\$100	C\$92.36	C\$90.26	C\$110.46	C\$128.00	C\$145.71

### COMPENSATION OF DIRECTORS

The following table discloses compensation arrangements of non-executive directors of the Corporation. For disclosure of compensation of Mr. Klaus Eckhof, a director and the President and Chief Executive Officer of the Corporation, refer to the section above entitled STATEMENT OF EXECUTIVE COMPENSATION.

Name of Non-Executive Director	Amount of Annual Retainer	Stock Options <sup>(1)</sup>		Total Amount Paid in financial year ended December 31, 2005	Other Compensation
		Number Granted	Exercise Price		
Samuel Jonah KBE	C\$100,000	1,750,000 400,000	\$2.60 \$3.15	A\$51,342	Annual pension plan contribution of 10% of annual retainer.  Entitled to further options to maintain the percentage interest allocated of 5% of the Common Shares on issue. Approved by Shareholders in October 2005.
David L. Hodgson	C\$50,000, increased to C\$75,000 in November 2005	200,000	\$2.70	A\$25,445	-
Walter H. Kansteiner	C\$50,000 increased to C\$60,000 in November 2005	200,000	2.70	A\$22,645	-

Name of Non-Executive Director	Amount of Annual Retainer	Stock Options <sup>(1)</sup>		Total Amount Paid in financial year ended December 31, 2005	Other Compensation
		Number Granted	Exercise Price		
Jeffrey O'Leary	C\$50,000 increased to C\$60,000 in November 2005	200,000	2.70	A\$15,267	-
T. Sean Harvey	C\$50,000	200,000	2.70	A\$20,777	-

**Notes:**

- (1) All stock options detailed above were granted on October 5, 2005 for nil consideration, and will expire 6 years from issuance.

Annual retainers payable to directors as described above cover all Board activities. Fees may also be paid to non-executive directors for additional consulting services provided to the Corporation. The Directors are indemnified by the Corporation to the fullest extent permitted by law in connection with any claim brought against them arising out of their being a director of the Corporation.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The following table summarizes relevant information as of December 31, 2005 with respect to compensation plans under which equity securities are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	5,240,000	A\$2.54	1,540,760
Equity compensation plans not approved by security holders	Nil	N/A	N/A
Total	5,240,000	A\$2.54	1,540,760

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the financial year ended December 31, 2005 has any director, officer, promoter or member of the management of the Corporation, or each associate or affiliate of any such director, officer, promoter or member of the management been indebted to the Corporation.



## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

During the most recently completed financial year, there were no material transactions or proposed material transactions that materially affected or will materially affect the Corporation or any of its subsidiaries, in which (i) any informed person of the Corporation, (ii) any proposed director of the Corporation, or (iii) any associate or affiliate of any of the foregoing has any material interest, other than the service contract with Samuel Jonah (Non-Executive Chairman of the Board) as discussed above (refer to the section above entitled COMPENSATION OF DIRECTORS).

## PARTICULARS OF MATTERS TO BE ACTED UPON

### RATIFICATION OF PREVIOUS ISSUANCE OF COMMON SHARES

On March 30, 2006, pursuant to a short form prospectus under Canadian securities regulations, the Corporation allotted and issued 5,500,000 Common Shares (the "Issued Shares") at a price of C\$7.65 per share for gross proceeds of C\$42,075,000.

#### *Resolution 4: Ratification of Issuance of Common Shares*

The Shareholders will be asked to consider and, if thought fit, to pass, the following resolution

*RESOLVED THAT for the purposes of Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange and for all other purposes the previous allotment and issuance on March 30, 2006 of 5,500,000 Common Shares be and is hereby ratified.*

#### *Voting Restrictions*

The Corporation will disregard any votes cast on Resolution 4 by any person who participated in the relevant issue of securities and any person associated with those persons. However, the Corporation need not disregard a vote if: it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### *ASX Listing Rules*

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

#### *Information for Shareholders*

The Issued Shares were issued on March 30, 2006 at a price of C\$7.65 per share to certain clients of Haywood Securities Inc., BMO Nesbitt Burns Inc. and RBC Dominion Securities Inc. None of the allottees are related parties of the Corporation.

Pursuant to Resolution 4 above, Shareholder approval is being sought for the ratification of the issuance of the Issued Shares, so as to approve and ratify the issuance of the Issued Shares pursuant to Listing Rule 7.4. Upon ratification of such issuance pursuant to Listing Rule 7.4, the Corporation will have the right to place up to a further 15% of its issued capital at any time during the next 12 months, without shareholder approval.

The following information is provided in relation to Resolution 4 to allow Shareholders to consider that resolution:

- The rights and restrictions attached to the Issued Shares are the same as the existing issued and outstanding Common Shares and, accordingly, the Issued Shares rank equally in all respects with the existing Common Shares on issue by the Corporation.
- Funds raised from the issuance of the Issued Shares are to fund exploration activities, development costs of the Moto Gold project, a possible payment to OKIMO in connection with property acquisition, administrative and general expenses and general working capital, all as described in more detail in the final short form prospectus of the Corporation dated March 23, 2006, which is incorporated by reference into this information circular. A copy of the prospectus is available at [www.sedar.com](http://www.sedar.com).

## **RATIFICATION OF PREVIOUS ISSUANCE OF WARRANTS**

Following the admission of the Corporation to AIM on March 24, 2006, on May 2, 2006 the Corporation issued to Alchemy Securities Pty Ltd., the nominee of RFC Corporate Finance Ltd., the Corporation's AIM nominated advisor, subject to regulatory approval, 500,000 warrants (the "Warrants"), exercisable at C\$7.65 and expiring four years from the date of issue.

### ***Resolution 5: Ratification of Issuance of Warrants***

The Shareholders will be asked to consider and, if thought fit, to pass, the following resolution:

*RESOLVED THAT for the purposes of Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange and for all other purposes the previous allotment and issuance on May 2, 2006 of 500,000 Warrants (which may be exercised into Common Shares) to Alchemy Securities Pty Ltd., the nominee of RFC Corporate Finance Ltd. be and is hereby ratified.*

### ***Voting Restrictions***

The Corporation will disregard any votes cast on Resolution 5 by any person who participated in the relevant issue of securities and any person associated with those persons. However, the Corporation need not disregard a vote if: it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
---

### ***ASX Listing Rules***

ASX Listing Rule 7.4 permits the ratification of previous issuances of securities made without prior shareholder approval provided the issuance did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore, to the extent of the issuances ratified, a

corporation's discretionary power to issue further shares up to 15% of the issued capital of the corporation without requiring shareholder approval.

### *Information for Shareholders*

The Warrants were issued on May 2, 2006 as partial consideration for the services of RFC Corporate Finance Ltd. acting as the Corporation's nominated advisor in connection with the Corporation's application to the London Stock Exchange for admission to AIM and for no additional consideration. The Warrants are exercisable at C\$7.65 each and the Corporation will receive up to C\$3,825,000 upon the exercise of the Warrants. Neither Alchemy Securities Pty Ltd. nor RFC Corporate Finance Ltd. is a related party of the Corporation.

Pursuant to Resolution 5 above, Shareholder approval is being sought for the ratification of the issuance of the Warrants, so as to approve and ratify the issuance of the Warrants and the Common Shares issuable upon the exercise of the Warrants, pursuant to Listing Rule 7.4. Upon ratification of such issuance pursuant to Listing Rule 7.4, the Corporation will have the right to place up to a further 15% of its issued capital at any time during the next 12 months, without shareholder approval.

The following information is provided in relation to Resolution 5 to allow Shareholders to consider that resolution:

- Each Warrant entitles the holder ("Warrantholder") to subscribe for and be allotted one Common Share at an issue price of C\$7.65.
- The Warrants expire at 5:00 p.m. (Toronto time) on May 2, 2010 (the "Expiry Date") and may be exercised at any time before the Expiry Date by notice in writing to the Corporation accompanied by payment of the exercise price.
- There are no participating rights or entitlements inherent in the Warrants and Warrantholders will not be entitled to participate in new issues of capital offered or made to Shareholders during the currency of the Issued Warrants.
- Common Shares issued on the exercise of the Warrants will be issued not more than 3 business days after receipt of a properly executed form of "Notice of Exercise".
- Common Shares allotted pursuant to the exercise of the Warrants will rank equally with the then issued Common Shares of the Corporation, except that no Common Shares issued pursuant to the exercise of the Warrants may be traded within 4 months of issue of the Warrants or may be traded in Australia within 12 months of issue of the Warrants unless otherwise permitted under applicable securities laws. While Warrants are transferable subject to these restrictions, no application will be made to list the Warrants on any stock exchange.
- There is no right to a change in the exercise price of the Warrants or to the number of shares over which the Warrants are exercisable in the event of a new issue of capital during the currency of the Warrants.

- In the event of any reconstruction (including consolidation, subdivision, reduction or returns) of issued capital of the Corporation, the rights of the Warrantholder will be changed to the extent necessary to comply with the listing rules applying to a reorganisation of capital at the time of the reorganisation.

**APPROVAL OF GRANT OF OPTIONS TO NON-EXECUTIVE DIRECTORS OF THE CORPORATION**

The Corporation’s Stock Option Plan (the “Plan”), which was approved by the Shareholders on October 5, 2005, provides that the Board may, at its discretion, grant options to non-executive directors from time to time. It is proposed to grant certain options to the 5 non-executive directors of the Corporation, Messrs. Kansteiner, Hodgson, Harvey, O’Leary and Jonah, free of charge, as an incentive for future services, as described below.

***Resolution 6A to 6E: Approval of Option Grants to Messrs. Kansteiner, Hodgson, Harvey, O’Leary and Jonah***

The Shareholders will be asked to consider and, if thought fit, to pass the following resolutions:

- 6A. *RESOLVED THAT for the purpose of Listing Rule 10.14 of the Australian Stock Exchange and for all other purposes the grant to Walter H. Kansteiner, a non-executive director of the Corporation, of the following options be and is hereby authorized and approved:*

<i>Name of Optionee</i>	<i>Number of Common Shares Under Option</i>	<i>Expiration Date</i>	<i>Exercise Price</i>
<i>Walter H. Kansteiner</i>	<i>60,000</i>	<i>Six years from date of issuance</i>	<i>C\$3.00</i>

- 6B. *RESOLVED THAT for the purpose of Listing Rule 10.14 of the Australian Stock Exchange and for all other purposes the grant to David L. Hodgson, a non-executive director of the Corporation, of the following options be and is hereby authorized and approved:*

<i>Name of Optionee</i>	<i>Number of Common Shares Under Option</i>	<i>Expiration Date</i>	<i>Exercise Price</i>
<i>David L. Hodgson</i>	<i>100,000</i>	<i>Six years from date of issuance</i>	<i>C\$3.00</i>

- 6C. *RESOLVED THAT for the purpose of Listing Rule 10.14 of the Australian Stock Exchange and for all other purposes the grant to T. Sean Harvey, a non-executive director of the Corporation, of the following options be and is hereby authorized and approved:*

<i>Name of Optionee</i>	<i>Number of Common Shares Under Option</i>	<i>Expiration Date</i>	<i>Exercise Price</i>
<i>T. Sean Harvey</i>	<i>50,000</i>	<i>Six years from date of issuance</i>	<i>C\$3.00</i>

6D. *RESOLVED THAT for the purpose of Listing Rule 10.14 of the Australian Stock Exchange and for all other purposes the grant to Jeffrey O'Leary, a non-executive director of the Corporation, of the following options be and is hereby authorized and approved:*

<i>Name of Optionee</i>	<i>Number of Common Shares Under Option</i>	<i>Expiration Date</i>	<i>Exercise Price</i>
<i>Jeffrey O'Leary</i>	<i>75,000</i>	<i>Six years from date of issuance</i>	<i>C\$3.00</i>

6E. *RESOLVED THAT for the purpose of Listing Rule 10.14 of the Australian Stock Exchange and for all other purposes the grant to Samuel Jonah KBE, a non-executive director of the Corporation, of the following options be and is hereby authorized and approved:*

<i>Name of Optionee</i>	<i>Number of Common Shares Under Option</i>	<i>Expiration Date</i>	<i>Exercise Price</i>
<i>Samuel Jonah KBE</i>	<i>275,000</i>	<i>Six years from date of issuance</i>	<i>C\$7.65</i>

*Voting Restrictions*

The Corporation will disregard any votes cast on Resolutions 6A to 6E by any of the above non-executive directors and any associate of any of the above non-executive directors. However, the Corporation need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

*Information for Shareholders*

The exercise prices of the proposed options were based on the fair market value of the Common Shares at the respective times the foregoing stock option grants were considered.

In respect of the options proposed to be issued to Messrs Harvey, Kansteiner, Hodgson and O'Leary, a news release was issued on November 1, 2005 (the closing share price on October 31, 2005 was C\$2.95) advising of the proposed issue. The options were not able to be issued at that time as the listing rules of the Australian Stock Exchange require that shareholder approval be obtained prior to the issue of options to directors. The Meeting is the first meeting of the Shareholders to be held since these stock option grants were considered.

The following information is provided in relation to Resolutions 6A to 6E to allow Shareholders to consider those resolutions:

- The exercise price of each option was the fair market value on the date the Board determined that such options should be granted to the non-executive directors.
- Messrs. Kansteiner, Hodgson, Harvey, O'Leary and Jonah are the non-executive directors of the Corporation.

- The Plan was last approved at the extraordinary meeting of Shareholders held on October 5, 2005. At that meeting, Shareholders also approved the issue of the following options under the Plan. The options were issued for Nil consideration.

Director	Number of options	Exercise price
Sam Jonah KBE	1,750,000	C\$2.60
Sam Jonah KBE	400,000	C\$3.15
Sean Harvey	200,000	C\$2.70
Walter H Kansteiner	200,000	C\$2.70
David Hodgson	200,000	C\$2.70
Jeffrey O'Leary	200,000	C\$2.70

- The following persons referred to in ASX Listing Rule 10.14 are entitled to participate in the Plan: Sam Jonah KBE, Sean Harvey, Walter H Kansteiner, David Hodgson, Jeffrey O'Leary and Klaus Eckhof. Other than as contemplated by Resolutions 6A to 6E, above, and Resolution 7, below, there is no proposal at this stage to issue further options to the foregoing persons.
- The grant of options to Mr. Jonah is made in accordance with the service contract entered into with Mr. Jonah that provides that, subject to compliance with stock exchange rules and receipt of any then required regulatory and shareholder approvals, if the Corporation makes any material further issue of shares, the Corporation will grant further options to Mr. Jonah in accordance with the rules of the Plan and the then prevailing market price to maintain the percentage interest allocated (being 5% of the Common Shares on issue). The Shareholders approved the further grant of options to Mr. Jonah on this basis in October 2005.
- The Board recognizes that the issues of options contemplated by Resolutions 6A to 6E do not comply with Principle 9.2 of the ASX's Principles of Good Corporate Governance and Best Practice Recommendations, but believes nevertheless that they are justified by the need to attract, retain and motivate non-employee directors of the right calibre while at the same time conserving the Corporation's cash resources by paying director's fees at a lower rate than would otherwise be required.
- The options will be issued as contemplated by Resolutions 6A to 6E as soon as practicable (and in any event not later than 1 month) after the Meeting. The Corporation intends to grant the options on one date but reserves its right to grant the options progressively.
- The options will be granted for no cash consideration and accordingly, no funds will be raised by the grant of options to Messrs. Kansteiner, Hodgson, Harvey, O'Leary and Jonah. The options will all vest on the date of issue. The options issued to Messrs. Kansteiner, Hodgson, Harvey and O'Leary will have an exercise price of C\$3.00. The options issued to Mr. Jonah will have an exercise price of \$7.65. If all options proposed to be granted to Messrs. Kansteiner, Hodgson, Harvey, O'Leary and Jonah are exercised, delivered and paid for, the Corporation will receive C\$2,958,750.

- Messrs. Kansteiner, Hodgson, Harvey, O’Leary and Jonah last received an allocation of stock options in October 2005, as described above.

The terms and conditions of the options to be granted to Messrs. Kansteiner, Hodgson, Harvey, O’Leary and Jonah are set out in the Plan.

**APPROVAL OF GRANT OF OPTIONS TO THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE CORPORATION**

***Resolution 7: Approval of Option Grant to Mr Eckhof***

The Shareholders will be asked to consider and, if thought fit, to pass the following resolution:

*RESOLVED THAT for the purpose of Listing Rule 10.14 of the Australian Stock Exchange and for all other purposes the grant to the President and Chief Executive Officer of the Corporation, Mr. Klaus P. Eckhof, of the following options be and is hereby authorized and approved:*

<i>Number of Common Shares Under Option</i>	<i>Expiration Date</i>	<i>Exercise Price</i>
750,000	Six years from date of issuance	C\$7.65

*Voting Restrictions*

The Corporation will disregard any votes cast on Resolution 7 by Mr Eckhof and any associate of Mr Eckhof. However, the Corporation need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

*Information for Shareholders*

The following information is provided in relation to Resolution 7 to allow Shareholders to consider that resolution:

- The exercise price of the options was the fair market value on the date the Board determined that such options should be granted to the President and Chief Executive Officer.
- Mr. Eckhof is the President and Chief Executive Officer of the Corporation. Mr Eckhof is also a director of the Corporation.
- The Plan was last approved at the extraordinary meeting of Shareholders held on October 5, 2005. At that meeting shareholders also approved the issue of the options under the Plan (refer above). The options were issued for Nil consideration.
- The following persons referred to in ASX Listing Rule 10.14 are entitled to participate in the Plan: Sam Jonah KBE, Sean Harvey, Walter H Kansteiner, David Hodgson, Jeffrey

O’Leary and Klaus Eckhof. Other than as contemplated by Resolutions 6A to 6E, above, and Resolution 7, there is no proposal at this stage to issue further options to the foregoing persons.

- The options will be issued as contemplated by Resolution 7 as soon as practicable (and in any event not later than 1 month) after the Meeting. The Corporation intends to grant the options on one date but reserves its right to grant the options progressively.
- The options will be granted for no cash consideration and accordingly, no funds will be raised by the grant of options to Mr. Eckhof. Of the 750,000 options, 375,000 options will vest on the date of issue and 375,000 options will vest 12 months from the date of issue. The options will have an exercise price of C\$7.65. If all options proposed to be granted to Mr. Eckhof are exercised, delivered and paid for, the Corporation will receive C\$5,737,500.
- Mr. Eckhof last received an allocation of stock options in November 2003.

The terms and conditions of the options to be granted to Mr. Eckhof are set out in the Plan.

## **COMPENSATION OF DIRECTORS**

### ***Resolution 8: Approval of Pool of Funds for Directors’ Fees***

The Shareholders will be asked to consider and, if thought fit, to pass the following resolution:

*RESOLVED THAT for the purposes of ASX Listing Rule 10.17 and all other purposes, the payment to the non-employee directors of directors’ fees in the aggregate amount of up to C\$450,000 in each fiscal year of the Corporation be and is hereby authorized and approved.*

### *Voting Restrictions*

The Corporation will disregard any votes cast on Resolution 8 by any director of the Corporation and any person associated with any director of the Corporation. However, the Corporation need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
--

### *Information for Shareholders*

The following information is provided in relation to Resolution 8 to allow Shareholders to consider that resolution:

- The Corporation proposes to pay to each of the non-employee directors an annual retainer as follows: Mr. Harvey (C\$50,000), Mr. Kansteiner (C\$60,000), Mr. Hodgson (C\$75,000) and Mr. O’Leary (C\$60,000).



- In addition, the Corporation has agreed to pay an annual retainer of C\$100,000 to Sam Jonah, KBE, the Chairman of the Board, and to make a contribution to his pension plan at the rate of 10% of his annual retainer.
- The Corporation has agreed that, subject to compliance with stock exchange rules and receipt of any required regulatory and shareholder approvals, if the Corporation makes any material further issue of shares the Corporation will grant further options to Sam Jonah, KBE, in accordance with the rules of the Plan and at the then prevailing market price to maintain the percentage interest allocated (being 5% of the Common Shares on issue).
- The aggregate maximum amount that may be paid to the non-employee directors for the financial year ended December 31, 2006 will be less than or equal to C\$450,000 (an increase of C\$100,000 from the aggregate maximum previously approved by shareholders).
- Directors are also reimbursed for transportation and other out-of-pocket expenses reasonably incurred for attendance at Board and committee meetings and in connection with the performance of their duties as directors.

## **CORPORATE GOVERNANCE PRACTICES**

The Corporation seeks to achieve high standards of corporate governance and has designed its corporate governance practices to be consistent with this objective. As a Canadian public company with its shares traded on the Toronto Stock Exchange, CHESSE depository interests traded on the Australian Stock Exchange and depository interests traded on AIM, the Board of Directors has adopted its governance practices in response to Canadian, Australian and UK regulatory requirements. As new rules and policies come into effect, the Board will continue to revise its practices as required.

### **Board of Directors**

The independent directors of the Corporation are T. Sean Harvey, David L. Hodgson, Samuel Jonah KBE, Walter H. Kansteiner and Jeffrey O’Leary. Klaus P. Eckhof is the Chief Executive Officer of the Corporation and is not an independent director of the Corporation. A majority, being five of six, directors of the Corporation are independent.

The following table identifies each director of the Corporation who is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction.

<b>Director</b>	<b>Reporting Issuer</b>
Samuel Jonah KBE	AngloGold Ashanti Limited, Equator Exploration Limited and Equinox Minerals Limited.
Klaus P. Eckhof	African Metals Corporation, Aurora Gold Corporation, Elemental Mining Limited and Tiger Resources Limited.
T. Sean Harvey	Orvana Minerals Corp., Andina Minerals Inc., Manicouagan Minerals Inc. and Polaris Geothermal Inc.

In accordance with the Corporation's Board Charter, the independent Board members shall hold regularly scheduled meetings at which members of management are not in attendance. Since the beginning of the most recently completed financial year, there have not been any specific formal meetings of the independent directors. However, open and candid discussion among the independent directors is facilitated by informal discussions among the independent directors prior to formal board meetings, at sub-committee meetings (all board representatives on sub-committees are independent directors) and through informal meetings and telephone conversations between the independent directors.

The Corporation's Board Charter mandates that an independent director shall be Chairman of the Board. Mr. Sam Jonah, KBE, who is an independent director, is the Chairman of the Board of the Corporation. The Chairman of the Board is responsible for leading the Board in its duties to the Corporation; ensuring there are processes and procedures in place to evaluate the performance of the Board, its committees and its individual directors; facilitating effective review, analysis and discussion at Board meetings; and ensuring effective communication with shareholders and stakeholders.

The following table sets out the attendance record of each director at all Board meetings and meetings of committees of which they were members held during the financial year ended December 31, 2005.

<b>Name of Director</b>	<b>Date Appointed Director</b>	<b>Board Meetings Held<sup>(1)</sup> (Attended)</b>	<b>Audit Committee Meetings Held<sup>(2)</sup> (Attended)</b>	<b>Nomination, Compensation and Technical Committee Meetings Held (Attended)</b>
Samuel Jonah KBE	August 2, 2005	4 (4)	1 (1)	2 (2)
Klaus P. Eckhof <sup>(3)</sup>	February 3, 2003	6 (6)	-	-
T. Sean Harvey	May 26, 2005	6 (5)	1 (1)	1 (1)
David L. Hodgson	August 18, 2005	3 (2)	-	3 (3)
Douglas A. Jones <sup>(4)</sup>	December 6, 2004	6 (6)	-	1 (1)
Walter H. Kansteiner	August 18, 2005	3 (3)	-	2 (2)
Jeffrey O'Leary	October 5, 2005	3 (3)	1 (1)	2 (2)
Reginald Gillard <sup>(5)</sup>		3(3)	-	-
Patrick J. Flint <sup>(6)</sup>		3(3)	-	-

**Notes:**

- (1) The number of Board meetings held is the number held during the time the individual director was a director.
- (2) The number of Committee meetings held is the number held during the time the individual director was a director.

- (3) Date of appointment of Mr. Eckhof as a director refers to his appointment as a director of Moto Australia. Mr. Eckhof was appointed a director of the Corporation on May 26, 2005.
- (4) Mr. Jones resigned as a director of the Corporation on March 30, 2006.
- (5) Mr. Gillard resigned as a director of the Corporation on August 17, 2005.
- (6) Mr. Flint resigned as a director of the Corporation on August 18, 2005.

It should be noted that the above summary is not strictly indicative of the contribution made by each director and that absence from a meeting may result from a variety of factors or causes.

### **Board Mandate**

The Corporation has a written Board Charter that sets out the role, composition and responsibilities of the Board of directors of the Corporation and its subsidiaries.

The Board of directors is responsible for supervising the management of the business and affairs of the Corporation in a way which ensures that the interests of shareholders and stakeholders are promoted and protected. The Board discharges this responsibility both directly and by delegating certain authority to committees of the Board and to senior management of the Corporation. The responsibilities of the Board include the following:

#### **1. Board**

- (a) Determining the size and composition of the Board, establishing committees, determining director compensation, selecting and evaluating candidates for election,
- (b) Maintaining a formal orientation and education program for new directors and ongoing programs for all directors, and
- (c) Assessing its overall effectiveness as a Board and the effectiveness of individual directors.

#### **2. Senior Management**

- (a) Selecting, evaluating and, if necessary, replacing the President & Chief Executive Officer, Corporate Secretary and other members of senior management,
- (b) Delegating responsibility and authority for the management of operations and administration of the Corporation to the President & Chief Executive Officer,
- (c) Overseeing succession planning for senior management positions,
- (d) Approving the compensation of senior management,
- (e) Ensuring that the Corporation has an appropriate blend of senior management skills and capabilities to implement the agreed to strategies, and
- (f) Advising and counselling the President & Chief Executive Officer.

#### **3. Strategy**

- (a) Reviewing the effectiveness of the strategic planning process,
- (b) Approving the Corporation's business objectives and strategic plans,
- (c) Monitoring corporate performance against approved objectives and strategic plans, and
- (d) Ensuring there are adequate human and financial resources available to achieve the Corporation's stated objectives.

4. **Risk Management, Capital Management and Internal Control**
  - (a) Reviewing and approving risk management policies and procedures,
  - (b) Monitoring adherence to stated risk management policies and procedures, including political risk management, capital risk management, internal control procedures and management information systems so as to provide reasonable assurance as to the reliability of the Corporation's financial information and the safeguarding of its assets,
  - (c) Monitoring compliance with legislative and regulatory requirements of all jurisdictions in which the Corporation operates, and
  - (d) Approving and monitoring capital, exploration and operating expenditure.
5. **Financial Reporting**
  - (a) Reviewing and approving the annual financial statements,
  - (b) Reviewing the quarterly financial statements, and
  - (c) Reviewing and approving material investments and transactions.
6. **Communications**
  - (a) Reporting the financial results to shareholder and other stakeholders,
  - (b) Approving policies regarding confidentiality of information,
  - (c) Approving policies for trading by employees in the securities of the Corporation, and
  - (d) Monitoring corporate communications and public disclosure.
7. **Other**
  - (a) Performing such other functions as are prescribed by law or as assigned to the Board in the Corporation's governing documents, and
  - (b) Ensuring that the Corporation has appropriate corporate governance structures in place including standards of ethical behaviour and a culture of corporate, social and environmental responsibility.

### **Position Descriptions**

The Board has a written position description for the Chairman of the Board and for the chairman of each Board committee and has developed a written position description for the Chief Executive Officer, which is included in the Board Charter.

### **Orientation and Continuing Education**

The Compensation Committee is responsible for the identification of new directors for appointment to the Board as well as for the assessment and enhancement as necessary of individual director competencies. Due to its size, the Corporation does not have a formal Directors' manual, however new directors are provided with detailed financial and operational information about the Corporation. Directors are also provided with copies of the Corporation's Board Charter, Code of Conduct, Corporate Governance Charter, Share Trading Policy and Whistleblower Policy and encouraged to visit operational sites.

## **Ethical Business Conduct**

The Board has adopted a written Code of Business Conduct which applies to directors, officers and employees of the Corporation. A copy of the Code may be obtained from the Corporation's website, at [www.motogoldmines.com](http://www.motogoldmines.com), or by contacting the Corporate Secretary by mail, at Moto Goldmines Limited, P.O. Box 717, Balcatta, Western Australia, Australia, by e-mail, at [pflint@motogoldmines.com](mailto:pflint@motogoldmines.com), or by telephone at +61 2 9212 7999.

The Board monitors compliance with the Code through the Audit Committee. The Audit Committee is required to meet at least once in each fiscal quarter and is required to report to the Board following its meetings.

There has been no conduct of a director or executive officer since the beginning of the last financial year that constitutes a departure from the Code and therefore no material change report has been required to be filed in connection with any such conduct.

There are no transactions or agreements of the Corporation in respect of which a director or executive officer has a material interest, other than the service contract with Samuel Jonah (Non-Executive Chairman of the Board) as discussed above (refer COMPENSATION OF DIRECTORS section).

In furtherance of the objective of encouraging and promoting a culture of ethical business conduct, the Board also has adopted a Whistleblower Policy. A copy of the Policy may be obtained from the Corporation's website, at [www.motogoldmines.com](http://www.motogoldmines.com), or by contacting the Corporate Secretary by mail, at Moto Goldmines Limited, P.O. Box 717, Balcatta, Western Australia, Australia, by e-mail, at [pflint@motogoldmines.com](mailto:pflint@motogoldmines.com), or by telephone at +61 2 9212 7999. The Corporation's Chief Financial Officer is the Corporation's Compliance Officer, to whom concerns about legal or regulatory compliance by the Corporation should be reported. Employees may report concerns to any other supervisor or member of management if they feel more comfortable doing so. The Audit Committee is responsible for monitoring the operation of the Whistleblower Policy.

To further encourage ethical business practices, each director has the right to seek independent professional advice at the Corporation's expense, upon obtaining prior approval from the Chairman, which approval will not be unreasonably withheld.

## **Nomination of Directors**

The Corporation has a Nomination and Corporate Governance Committee which is composed entirely of independent directors.

Potential candidates for Board nomination are identified through contacts with consultants and advisors to the Corporation, research and by current Board members using their industry contacts and knowledge.

Possible candidates for Board nomination are contacted and interviewed and their background and experience are checked before the Committee will recommend a candidate to the Board for nomination.

Particularly with regard to nominations responsibilities, the duties of the Nomination and Corporate Governance Committee include:

- Determining the appropriate size and composition of the Board;
- Developing criteria for selection of candidates for the Board in the context of the Board's existing composition and structure;
- Making recommendations to the Board on the appointment and removal of directors;
- Identifying, assessing, and enhancing director competencies;
- Developing a succession plan for the Board and regularly reviewing the plan;
- Reviewing the time required from a non-executive director and whether directors of the Board are meeting this requirement;
- Reviewing Board succession plans; and
- Evaluating the performance of the Board and key executives.

The Nomination and Corporate Governance Committee is also responsible for developing the Corporation's approach to corporate governance issues and is mandated to plan for the succession of senior management, including appointing, training and monitoring senior management to ensure that the Corporation's Board and management have appropriate skill and experience.

The corporate governance responsibilities of the Committee include:

- Overseeing issues of corporate governance as they apply to the corporation and reporting to the Board on such matters;
- monitoring the quality and effectiveness of the corporate governance system;
- administration of the board's relationship with management;
- Reviewing any involvements of any of the directors which constitute, or may result in, a conflict of interest;
- Reviewing, at least annually, the Committee's duties and responsibilities and determining if any amendments, additions or deletions are necessary;
- Reporting to the Board at the earliest opportunity following any meeting of the Committee;
- Develop and implement corporate communications policies; and
- Such other duties as may be delegated by the Board to the Committee from time to time.

The Nomination and Corporate Governance Committee is required to meet as frequently as necessary and report regularly to the Board following its meetings.

The Nomination and Corporate Governance Committee is entitled to access to any and all books and records of the Corporation necessary for the execution of the Committee's obligations and is required to discuss with the officers of the Corporation such records and other matters considered appropriate. The Committee has the authority to obtain advice and assistance from internal or external legal, accounting or other advisors to assist it with the carrying out of its functions.

## **Compensation**

The Corporation has a Compensation Committee. The Committee's role is to oversee and provide support to the Board concerning the Corporation's remuneration policies and practices, the overall remuneration strategy and the award of stock options. Where possible the Committee

will verify the appropriateness of existing remuneration levels using external sources for comparison.

The Compensation Committee is composed entirely of independent directors.

The Compensation Committee is required to meet as frequently as required, but not less than two times annually, and is required to report regularly to the Board following its meetings. The Compensation Committee's duties include:

- Determining compensation policies and compensation of directors;
- Determining compensation and incentive policies packages of key executives;
- Professional indemnity and liability insurance for directors and senior management; and
- Reviewing succession plans for senior management.

The Compensation Committee is entitled to access to any and all books and records of the Corporation necessary for the execution of the Committee's obligations and is required to discuss with the officers of the Corporation such records and other matters considered appropriate. It may obtain independent professional advice at the Corporation's expense, upon obtaining prior approval of the Chairman, which consent is not to be unreasonably withheld.

#### **Other Board Committees**

The Corporation has an Audit Committee. See section entitled "Appointment of Auditors", above.

The Corporation also has a Technical Committee. The role of this committee is to provide assistance to and oversee the feasibility process in respect of the Moto Gold project. The committee draws on the extensive operational and project financing experience of the Board.

#### **Assessments**

The Board, its committees and individual directors do not, at present, conduct a formal assessment as to their effectiveness. The Nomination and Corporate Governance Committee regularly assesses the needs of the Board in relation to skill requirements and experience. Current Board members have been selected based on their distinctive skills and potential contribution to the effectiveness of the Corporation. Following the appointment of four new directors to the Board during the period ended December 31, 2005, an evaluation of the performance of the board will be carried out in mid 2006.

### **AVAILABILITY OF DOCUMENTS**

The Corporation will provide to any person, upon request to the Corporate Secretary, one copy of the following documents:

- a) the Corporation's latest Annual Information Form, together with any document, or the pertinent pages of any document, incorporated therein by reference, filed with the applicable securities regulatory authorities;
- b) the comparative financial statements of the Corporation filed with the applicable securities regulatory authorities for the Corporation's most recently completed year in

respect of which such financial statements have been issued, together with the report of the auditors thereon, Management's Discussion and Analysis and any interim financial statements of the Corporation filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements; and

- c) the Management Information Circular of the Corporation filed with the applicable securities regulatory authorities in respect of the most recent annual meeting of Shareholders of the Corporation which involved the election of directors.

Copies of the above documents will be provided free of charge to security holders of the Corporation. The Corporation may require the payment of a reasonable charge by any person or company who is not a security holder of the Corporation, and who requests a copy of such document.

### **SHAREHOLDER PROPOSALS**

The final date by which the Corporation must receive a proposal for any matter that a person entitled to vote at an annual meeting proposes to raise at the next annual meeting of the Corporation is March 5, 2007.

### **APPROVAL OF THIS MANAGEMENT PROXY CIRCULAR**

The contents and the sending of this Management Proxy Circular have been approved by the directors of the Corporation.

By order of the Board  
*(signed)* Patrick J. Flint  
Chief Financial Officer and  
Corporate Secretary



# MOTO GOLDMINES LIMITED

c/o Equity Transfer Services Inc.  
Suite 420, 120 Adelaide Street West  
Toronto, Ontario M5H 4C3

## PROXY

**PROXY, SOLICITED BY THE MANAGEMENT OF MOTO GOLDMINES LIMITED (the "Corporation"), for the Annual and Special Meeting of Shareholders to be held in the British Columbia Room at The Fairmont Royal York, 100 Front Street West, Toronto, Ontario at 10:00 a.m. (Toronto time), on Tuesday, June 6, 2006 (the "Meeting").** The undersigned Shareholder of the Corporation hereby appoints Klaus P. Eckhof, Chief Executive Officer, or failing him, Gordon R. Chambers, counsel to the Corporation, or instead of either of them, \_\_\_\_\_ as proxy, with power of substitution, to attend and vote for the undersigned at the Meeting and at any adjournments thereof, and without limiting the general authorization and power hereby given, the persons named above are specifically directed to vote, as specified below, all of the shares represented by this proxy. **If no voting directions are specified, or Mr. Eckhof or Mr. Chambers has been appointed proxyholder, the shares represented by this proxy will be voted FOR each of the matters referred to below.**

**1. Set the Number of Directors at Six**

To approve the resolution set out in the Management Information Circular to set the number of directors constituting the Board of Directors of the Corporation at six.

Vote for       Vote Against

**2. Election of Directors**

To elect each of the following persons as a Director of the Corporation for the ensuing year:

Samuel Jonah KBE	Vote for <input type="checkbox"/>	Withhold from Voting <input type="checkbox"/>
Klaus P. Eckhof	Vote for <input type="checkbox"/>	Withhold from Voting <input type="checkbox"/>
T. Sean Harvey	Vote for <input type="checkbox"/>	Withhold from Voting <input type="checkbox"/>
David L. Hodgson	Vote for <input type="checkbox"/>	Withhold from Voting <input type="checkbox"/>
Walter H. Kansteiner	Vote for <input type="checkbox"/>	Withhold from Voting <input type="checkbox"/>
Jeffrey O'Leary	Vote for <input type="checkbox"/>	Withhold from Voting <input type="checkbox"/>

**3. Appointment of Auditor**

To appoint parker simone LLP, Chartered Accountants, as Auditor of the Corporation for the ensuing year.

Vote for       Withhold from Voting

**4. Ratification of Issuance of 5,500,000 Common Shares**

To approve the resolution set out in the Management Information Circular ratifying the previous allotment and issuance of 5,500,000 Common Shares in accordance with ASX Listing Rule 7.4.

Vote for       Vote Against

**5. Ratification of Issuance of 500,000 Warrants**

To approve the resolution set out in the Management Information Circular ratifying the previous allotment and issuance of 500,000 warrants (exercisable into Common Shares) to Alchemy Securities Pty Ltd., the nominee of RFC Corporate Finance Ltd., in accordance with ASX Listing Rule 7.4.

Vote for       Vote Against

**6A. Approval of Grant of Options to Non-Employee Directors**

To approve Resolution 6A set out in the Management Information Circular approving the grant of options to Walter H. Kansteiner in accordance with ASX Listing Rule 10.14.

Vote for       Vote Against



## INSTRUCTIONS FOR COMPLETION OF PROXY

1. A registered shareholder who wishes to attend the Meeting and vote on the resolutions in person may simply register with the scrutineers before the Meeting begins.
  2. A registered shareholder who is not able to attend the Meeting in person but wishes to vote on the resolutions may do the following:
    - (a) **appoint one of the management proxyholders** named on the form of proxy ("Instrument of Proxy"), by leaving the wording appointing a nominee as is (i.e. do not strike out the management proxyholders shown and do not complete the blank space provided for the appointment of an alternate proxyholder);
    - OR
    - (b) **appoint another proxyholder, who need not be a registered shareholder of the Corporation, to vote according to the registered shareholder's instructions by striking out the management proxyholder names specified and inserting the name of the person the registered shareholder wishes to represent him/her at the Meeting in the space provided on the Instrument of Proxy.**
  3. The Instrument of Proxy must be signed by the registered shareholder, or by his/her attorney duly authorized in writing by the registered shareholder, or in the case of a corporation, by a duly authorized officer or representative of the corporation, and if executed by an attorney, officer or other duly appointed representative, the original or a notarial copy of the instrument so empowering such person, or other such documentation in support as shall be acceptable to the Chairman of the Meeting, must accompany the Instrument of Proxy. Where shares are held jointly, either owner may sign.
  4. The securities represented by this Instrument of Proxy will be voted or withheld from voting in accordance with the instructions of the registered shareholder on any ballot that may be called for and, if the registered shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly.
  5. If the date is not completed in the space provided above, this proxy shall be deemed to bear the date of mailing to shareholders of the accompanying Management Information Circular.
  6. For a proxy to be effective at the Meeting, this Instrument of Proxy must be deposited by mail or fax at the office of the Corporation's Registrar and Transfer Agent, Equity Transfer Services Inc., not later than 48 hours prior to the time of the Meeting, or if the Meeting is adjourned, not less than 48 hours (excluding Saturdays and holidays) before the time for holding the adjourned meeting. The Chairman of the Meeting has the discretion to accept proxies which are deposited after this time.
  7. The mailing address to deposit the Instrument of Proxy is:

Equity Transfer Services Inc.  
Suite 420, 120 Adelaide Street West  
Toronto, Ontario, M5H 4C3  
Fax: +1-416-361-0470
  8. If a registered shareholder has submitted an Instrument of Proxy, the registered shareholder may still attend the Meeting and vote in person. To do so, the registered shareholder must record his/her attendance with the scrutineers before the commencement of the Meeting and revoke, in writing, the prior votes.
- 

THIS IS YOUR PROXY. PLEASE COMPLETE, FOLD AND RETURN IN THE ENVELOPE PROVIDED.

**MOTO GOLDMINES LIMITED**  
**NOTICE OF VOTING DIRECTION GIVEN BY HOLDERS OF CDIs**  
**ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF MOTO GOLDMINES LIMITED**

This notice of voting direction is solicited on behalf of the Management of Moto Goldmines Limited (the “Corporation”) for use at the Annual and Special Meeting of the Shareholders of the Corporation to be held in the British Columbia Room at The Fairmont Royal York, 100 Front Street West, Toronto, Ontario, at 10:00 a.m. (Toronto time) on Tuesday, June 6, 2006 (the “Meeting”).

The undersigned holder of CDIs of the Corporation hereby directs CHESSE Depository Nominees Pty Ltd (“CHESSE”) to appoint a representative of management of the Corporation as specified in management’s form of proxy (“Management’s Proxy Nominee”) to attend, act and vote for and on behalf of the undersigned at the Meeting in respect of all shares beneficially held by the undersigned, and otherwise to act for and on behalf of the undersigned in respect of all matters that come before the Meeting and at any adjournment thereof.

The undersigned hereby directs that CHESSE be authorized to instruct Management’s Proxy Nominee to represent and vote, as specified below, all of the shares represented by this notice of voting direction. **If no voting directions are specified, the shares represented by this notice of voting direction will be voted FOR each of the matters referred to below.**

**With respect to any amendment or variations to the matters listed above or identified in the Notice of Annual and Special Meeting and any other matters which may properly come before the Meeting, the undersigned authorizes and directs CHESSE to confer discretionary authority on Management’s Proxy Nominee to vote in accordance with such person’s best judgment.**

**1. Set the Number of Directors at Six**

To approve the resolution set out in the Management Information Circular to set the number of directors constituting the Board of Directors of the Corporation at six.

Vote for       Vote Against

**2. Election of Directors**

To elect each of the following persons as a Director of the Corporation for the ensuing year:

Samuel Jonah KBE	Vote for <input type="checkbox"/>	Withhold from Voting <input type="checkbox"/>
Klaus P. Eckhof	Vote for <input type="checkbox"/>	Withhold from Voting <input type="checkbox"/>
T. Sean Harvey	Vote for <input type="checkbox"/>	Withhold from Voting <input type="checkbox"/>
David L. Hodgson	Vote for <input type="checkbox"/>	Withhold from Voting <input type="checkbox"/>
Walter H. Kansteiner	Vote for <input type="checkbox"/>	Withhold from Voting <input type="checkbox"/>
Jeffrey O’Leary	Vote for <input type="checkbox"/>	Withhold from Voting <input type="checkbox"/>

**3. Appointment of Auditor**

To appoint parker simone LLP, Chartered Accountants, as Auditor of the Corporation for the ensuing year.

Vote for       Withhold from Voting

**4. Ratification of Issuance of 5,500,000 Common Shares**

To approve the resolution set out in the Management Information Circular ratifying the previous allotment and issuance of 5,500,000 Common Shares in accordance with ASX Listing Rule 7.4

Vote for       Vote Against

**5. Ratification of Issuance of 500,000 Warrants**

To approve the resolution set out in the Management Information Circular ratifying the previous allotment and issuance of 500,000 warrants (exercisable into Common Shares) to Alchemy Securities Pty Ltd., the nominee of RFC Corporate Finance Ltd., in accordance with ASX Listing Rule 7.4.

Vote for       Vote Against

**6A. Approval of Grant of Options to Non-Employee Directors**

To approve Resolution 6A set out in the Management Information Circular approving the grant of options to Walter H. Kansteiner in accordance with ASX Listing Rule 10.14.

Vote for       Vote Against

**6B. Approval of Grant of Options to Non-Employee Directors**

To approve Resolution 6B set out in the Management Information Circular approving the grant of options to David L. Hodgson in accordance with ASX Listing Rule 10.14.

Vote for       Vote Against

**6C. Approval of Grant of Options to Non-Employee Directors**

To approve Resolution 6C set out in the Management Information Circular approving the grant of options to T. Sean Harvey in accordance with ASX Listing Rule 10.14.

Vote for       Vote Against

**6D. Approval of Grant of Options to Non-Employee Directors**

To approve Resolution 6D set out in the Management Information Circular approving the grant of options to Jeffrey O’Leary in accordance with ASX Listing Rule 10.14.

Vote for       Vote Against

**6E. Approval of Grant of Options to Non-Employee Directors**

To approve Resolution 6E set out in the Management Information Circular approving the grant of options to Samuel Jonah KBE in accordance with ASX Listing Rule 10.14.

Vote for  Vote Against

**7. Approval of Grant of Options to Mr. Klaus P. Eckhof**

To approve the resolution set out in the Management Information Circular approving the grant of options to the President and Chief Executive Officer of the Corporation, Mr. Klaus P. Eckhof, in accordance with ASX Listing Rule 10.14.

Vote for  Vote Against

**8. Approval of Pool of Funds for Non-Employee Directors**

To approve the resolution set out in the Management Information Circular approving an increase in the pool of funds for non-employee directors' fees in accordance with ASX Listing Rule 10.17.

Vote for  Vote Against

**9. Other Matters**

To vote at the discretion of the proxyholder on any amendment to the foregoing, and on any other matters which may properly come before the Meeting or any adjourning thereof.

**If you do not wish to direct CHES and Management's Proxy Nominee how to vote, please place a mark in this box:**

**By marking this box, you acknowledge that Management's Proxy Nominee may cast a vote in respect of the Common Shares of the Corporation that underlie your CDIs even if he has no interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.**

The undersigned hereby ratifies and confirms, and agrees to ratify and confirm, all that CHES and Management's Proxy Nominee may lawfully do by virtue hereof, and hereby revokes any other notice of voting direction previously given to appoint a person as proxy or to attend and vote at the said Meeting.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2006

\_\_\_\_\_  
Signature of Holder of CDIs

\_\_\_\_\_  
Name of Holder of CDIs (printed or typewritten)

\_\_\_\_\_  
Address of Holder of CDIs

**THIS NOTICE MUST BE SIGNED AND DATED. SEE ACCOMPANYING INSTRUCTIONS.**

**INSTRUCTIONS FOR COMPLETION OF NOTICE OF VOTING DIRECTION**

1. A holder of CDIs wishing to vote on the resolutions must complete this Notice of Voting Direction and return it in the time and manner contemplated herein and in the Notice of Annual and Special Meeting and the accompanying Management Information Circular.
2. This Notice of Voting Direction must be signed by the holder of CDIs, or by his/her attorney duly authorized in writing by the holder of CDIs, or in the case of a corporation, by a duly authorized officer or representative of the corporation, and if executed by an attorney, officer or other duly appointed representative, the original or a notarial copy of the instrument so empowering such person, or other such documentation in support as shall be acceptable to the Chairman of the Meeting, must accompany the Notice of Voting Direction.
3. The securities to which this Notice of Voting Direction relates will be voted or withheld from voting in accordance with the instructions of the holder of the CDIs on any ballot that may be called for and, if the holder of CDIs specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly.
4. If the date is not completed in the space provided above, this Notice of Voting Direction shall be deemed to bear the date of mailing to shareholders of the accompanying Management Information Circular.
5. For a Notice of Voting Direction to be effective at the Meeting, this Notice of Voting Direction must be deposited by mail or fax at the office of the Corporation's Registrar and Transfer Agent in Australia, Advanced Share Registry Services, not later than 4:30 p.m. (Perth time) on Friday, June 2, 2006, or if the Meeting is adjourned, not less than 48 hours (excluding Saturdays and holidays) before the time for holding the adjourned meeting. The Chairman of the Meeting has the discretion to accept proxies which are deposited after this time.
6. The mailing address to deposit the Notice of Voting Direction is:  
  
Advanced Share Registry Services  
110 Stirling Highway  
Nedlands, Western Australia 6009  
  
Fax: +61 (8) 9389 7871
7. If a holder of CDIs has submitted a Notice of Voting Direction, the holder of CDIs may still attend the Meeting as contemplated in the Articles of the Corporation.

**[THIS IS YOUR NOTICE OF VOTING DIRECTION. PLEASE COMPLETE AND RETURN AS PROVIDED HEREIN.]**