



15 January 2008

ASX LIMITED

Dear Sir / Madam

The directors of PocketMail Group Limited wish to confirm that the Notice of General Meeting together with the Proxy Form have been despatched to all shareholders.

Yours faithfully

POCKETMAIL GROUP LIMITED

DAVID McARTHUR
Company Secretary

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POCKETMAIL GROUP LIMITED

ABN 96 008 719 015

To be renamed

ADAVALE RESOURCES LIMITED

ABN 96 008 719 015

NOTICE OF GENERAL MEETING

TIME: 10 am (EST)
DATE: 14 February 2008
PLACE: Level 56,
MLC Centre
19-29 Martin Place
SYDNEY NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of PocketMail Group Limited (**Company** or **Pocketmail**) which this Notice of Meeting relates to will be held at 10 am (EST) on 14 February 2008 at:

Level 56
MLC Centre
19-29 Martin Place
SYDNEY NSW 2000

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and either:

- (a) send the proxy form by post to the Company at PO Box H101, Australia Square, Sydney NSW 1215; or
- (b) deliver the proxy form to the Company at Level 56, MLC Centre, 19-29 Martin Place, Sydney NSW 2000; or
- (c) send the proxy form by facsimile to the Company on facsimile number (02) 9210 5801 (International +61 2 9210 5801),

so that it is received not later than 10 am EST on 12 February 2008.

Proxy forms received later than this time will be invalid.

LETTER FROM THE MANAGING DIRECTOR

Dear Shareholder

On 7 December 2007, the Company announced that it had made a decision to focus its business on its uranium exploration assets (Lake Surprise in South Australia and Springvale in Queensland) and evaluating other uranium exploration opportunities.

For this reason, the Company seeks approval from Shareholders to change its nature of business and activities to a mining exploration company.

The change in focus by Pocketmail will involve a significant change in the nature and scale of Pocketmail's activities and accordingly it must comply with Chapters 1 and 2 of the ASX Listing Rules if the proposal is approved by shareholders.

Further, the Company will also change its name to Adavale Resources Limited to reflect the new direction, subject to your approval.

Enclosed you will find a Notice of Meeting and Proxy Form, together with an Explanatory Statement, dealing with all the resolutions that the Directors are asking you to consider ahead of the General Meeting of Shareholders at which those resolutions will be put to you.

The purpose of the General Meeting is to obtain all Shareholder approvals necessary to implement the change in nature and scale of the Company, to approve a placement of 50,000,000 Shares to raise \$3,750,000 and leave the Company in a position to raise further funds for the Company's new business, if it seeks to do so.

I strongly recommend you carefully read the Explanatory Statement in relation to the proposed change in nature of the business and the relevant Shareholder resolutions.

Yours sincerely

Mr John Risinger
Managing Director

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Pocketmail Group Limited will be held at Level 56, MLC Centre, 19-29 Martin Place SYDNEY NSW 2000 at 10 am EST on 14 February 2008.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company on 12 February 2008 at the close of business.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – CHANGE IN NATURE AND SCALE OF ACTIVITIES

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

“That, subject to the passing of Resolutions 2, 3, 5 and 6, for the purposes of Listing Rule 11.1 and for all other purposes, approval is given for the Company to make a significant change in the nature and scale of its activities as described in the Explanatory Statement accompanying this Notice.”

Short Explanation: The Listing Rules require the Company to seek shareholder approval where it proposes to make a significant change to the nature or scale of its activities. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the Resolution is passed, and any associate of those persons.

2. RESOLUTION 2 – CHANGE OF COMPANY NAME

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

“That, subject to the passing of Resolutions 1, 3, 5 and 6, for the purposes of Section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to “Adavale Resources Limited”.”

Short Explanation: The Company proposes to change its name to more accurately reflect the proposed future activities of the Company. Pursuant to section 157(1) of the Corporations Act, the Company may adopt a new name by special resolution passed at a general meeting.

3. RESOLUTION 3 - CONSOLIDATION OF CAPITAL

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

"That, subject to the passing of Resolutions 1, 2, 5 and 6, for the purposes of Section 254H of the Corporations Act, clause 9.1 of the Company's Constitution and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every three (3) Shares be consolidated into one (1) Share (and that Convertible Performance Shares be likewise consolidated);*
- (b) every three (3) Options each to acquire a Share be consolidated into one (1) Option each to acquire a Share and the exercise price of each Option be amended in inverse proportion to this ratio in accordance with Listing Rule 7.22.1,*

and where this consolidation results in a fraction of a Share or Option being held by a Shareholder or Option holder (as the case may be), the directors of the Company be authorised to round that fraction up to the nearest whole Share or Option."

Short Explanation: The Consolidation is proposed in order to provide the Company with a more appropriate capital structure as part of the change in nature of its operations. Please refer to the Explanatory Statement for details. Under section 254H(1) of the Corporations Act, a company may convert all or any of its securities into a smaller amount by resolution passed at a general meeting.

4. RESOLUTION 4 – ADOPTION OF NEW CONSTITUTION

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

"That the Company adopts a new Constitution in the form as signed by the chairman of the Meeting for identification purposes in lieu of the existing Constitution of the Company."

Short Explanation: The Company proposes to adopt a new Constitution as the existing Constitution is out of date, referring to a previous name of the Company.

5. RESOLUTION 5 – ISSUE OF SHARES AND OPTIONS - DIRECTORS

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

"That, subject to the passing of Resolutions 1, 2, 3 and 6, for the purposes of Section 208 of the Corporations Act, Listing Rules 6.23.2 and 10.11 and for all other purposes, the Company be authorised to issue the Shares and Options to those persons set out in Schedule 1, and otherwise on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by the persons set out in Schedule 1 or their nominee(s) and any associates of those persons.

6. RESOLUTION 6 – ISSUE OF SHARES AND OPTIONS

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

"That, subject to the passing of Resolutions 1, 2, 3 and 5, for the purpose of Listing Rules 6.23.2 and 7.1 and for all other purposes, the Company be authorised to issue the Shares and Options set out in Schedule 2 to those persons set out in that schedule and otherwise on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by the persons set out in Schedule 2 or their nominee(s) and any associates of those persons.

7. RESOLUTION 7 – PLACEMENT

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

"That, subject to the passing of Resolutions 1 to 6, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 50,000,000 Shares (on a pre consolidation basis) at an issue price of 7.5 cents per Share on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and any person who might obtain a benefit if the Resolution is passed, except a benefit received solely in the capacity of a holder of ordinary securities, and any of their associates.

DATED: 11 January 2008

BY ORDER OF THE BOARD

David McArthur

Voting Exclusion Note:

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a 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 general 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.

EXPLANATORY STATEMENT – PART A (GENERAL INFORMATION)

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at Level 56, MLC Centre, 19-29 Martin Place, Sydney, New South Wales on 14 February 2008 at 10 am (EST).

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. OVERVIEW

1.1 Background

On 16 April 2007, the Shareholders of the Company approved the acquisition of 100% of the issued capital of each of Adavale Minerals Pty Ltd and Adavale Queensland Pty Ltd, uranium exploration companies.

Since that time, the Company has engaged in an active exploration program on the prospects held including extensive fieldwork, surface sampling, review of existing data, air photo interpretation, radiometrics and first stage drilling.

The results have led the Board to decide that it is appropriate for the Company to focus its activities on uranium exploration, rather than the existing Pocketmail business and, accordingly, the approval of Shareholders is sought to enable the Company to do so.

On the basis that approval is obtained, the Company will seek to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules.

A summary of the effects of Pocketmail undertaking the above change in activities and associated matters is set out below.

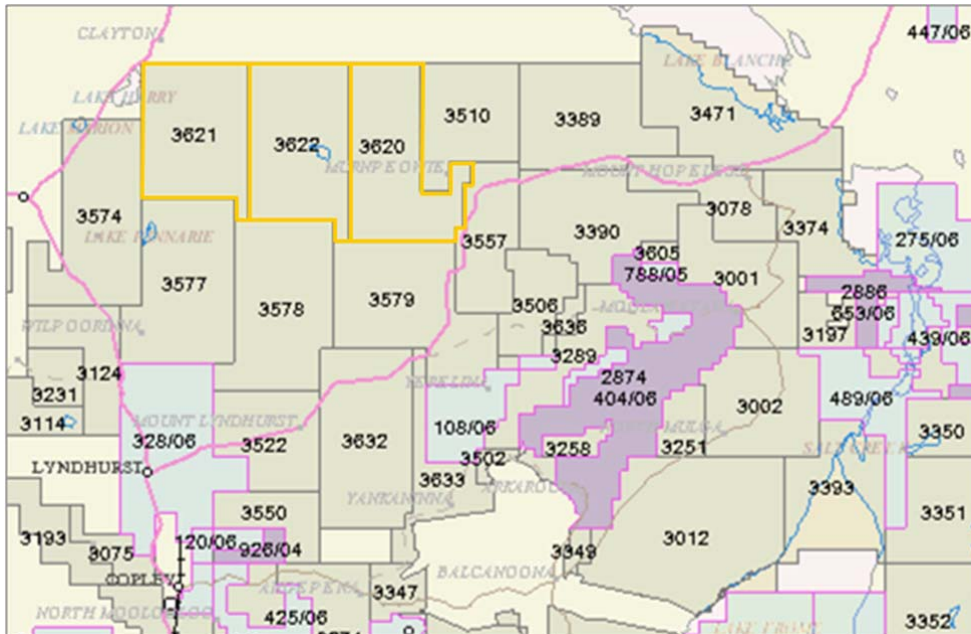
1.2 Mining Exploration and Activities to Date

Project Locations



1.3 Lake Surprise – South Australia

The Lake Surprise Project in South Australia consists of three EL areas (EL 3621, EL 3622 & EL 3620) totalling an area of 2,705 km² and located 550 km north of Adelaide. The targets are near surface uranium ore bodies within palaeochannels, in 'roll front, and 'unconformity' styles of mineralisation.



Exploration was carried out between 1969 and 1972 by Pechiney (Australia) Exploration Pty Ltd. Pechiney's work confirmed the prospectivity and results identified 41 radiometric anomalies, several areas of high radiometric anomalies, and widely scattered concentrations of radioactive minerals. Uranium minerals were identified in surface rocks at several locations.

Encouraging results have been obtained from ongoing exploration that commenced in April 2007.

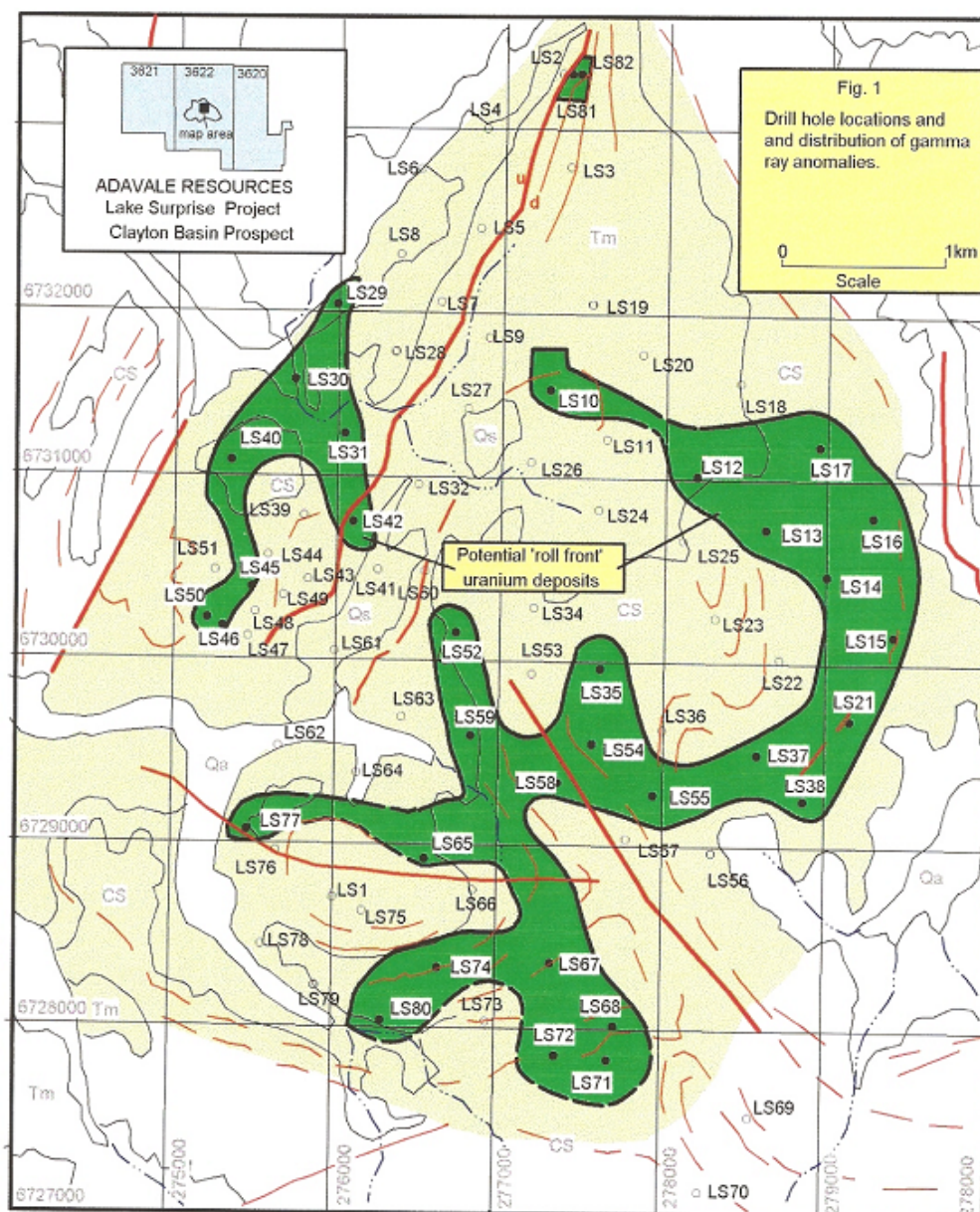
Exploration has identified a shallow sedimentary basin of Tertiary age and surface sampling along the length of a 13 kilometre structure within the basin returned numerous assays from a portable spectrograph of 100 ppm to 440 ppm U₃O₈. The area has been named the Clayton Basin Prospect and it lies within EL 3622 and covers an area of approximately 120 km².

Exploration has also identified an area of approximately 175 km² within EL3620 that comprises Cenozoic outwash fans and pediments derived from the Flinders Range. This sequence contains concealed palaeochannels that have anomalous gamma ray activity. This area was named the Mumpie Prospect and is located about 50 km southeast of the Clayton Basin Prospect.

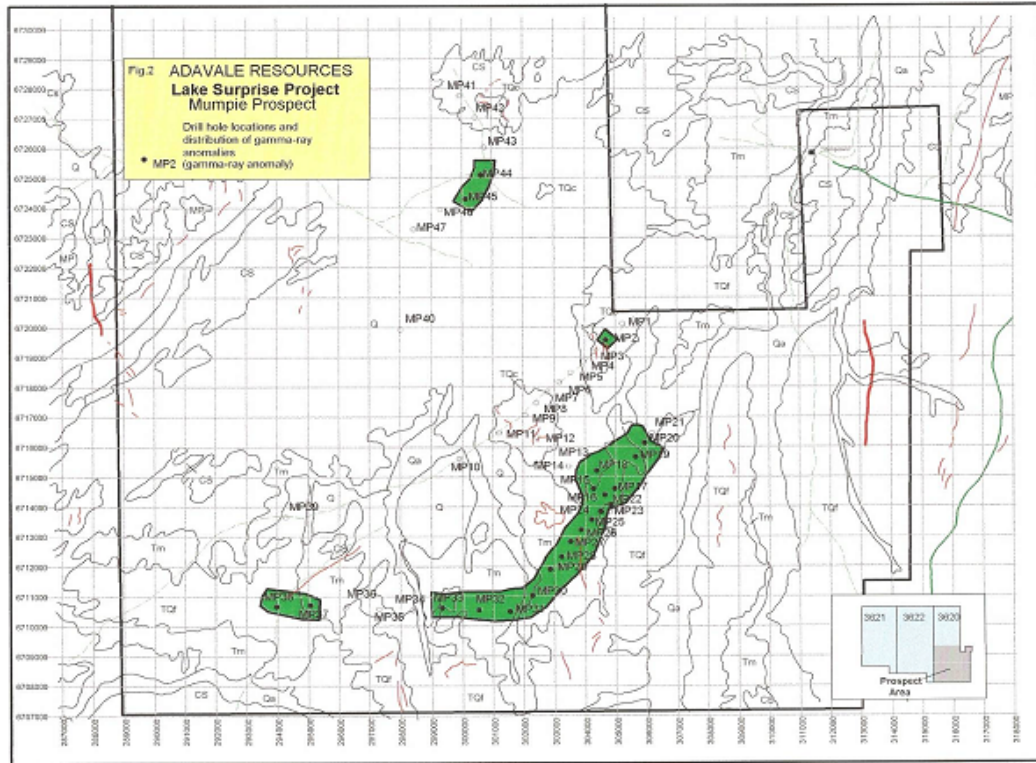
An 80 hole reconnaissance drilling program has been completed at the Clayton Basin Prospect and a 47 hole program has been completed at the Mumpie Prospect. Gamma ray logging of drill holes and assaying confirm radioactivity is widespread, uranium mineralization is present and that some of the uranium has become separated from its more radioactive, daughter fission products and is in disequilibrium. As a consequence, the main bodies of uranium enrichment may lie adjacent to the gamma ray anomalous areas and because of the lower

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gamma ray activity the potentially economic ore zones are more difficult to locate. This problem is being addressed, by rotary core drilling and accurate sampling of uranium enriched zones for analyses. In addition, resistivity surveys are being undertaken to identify areas of potentially economic uranium concentration within the palaeochannel systems. The Company's geoscientists are processing all relevant data and are waiting for assay results sent to radiation laboratories. The results of this work should provide comparisons between measured gamma ray radioactivity and potential quantity of uranium that is in disequilibrium. Once all data is reviewed infill drilling will proceed.



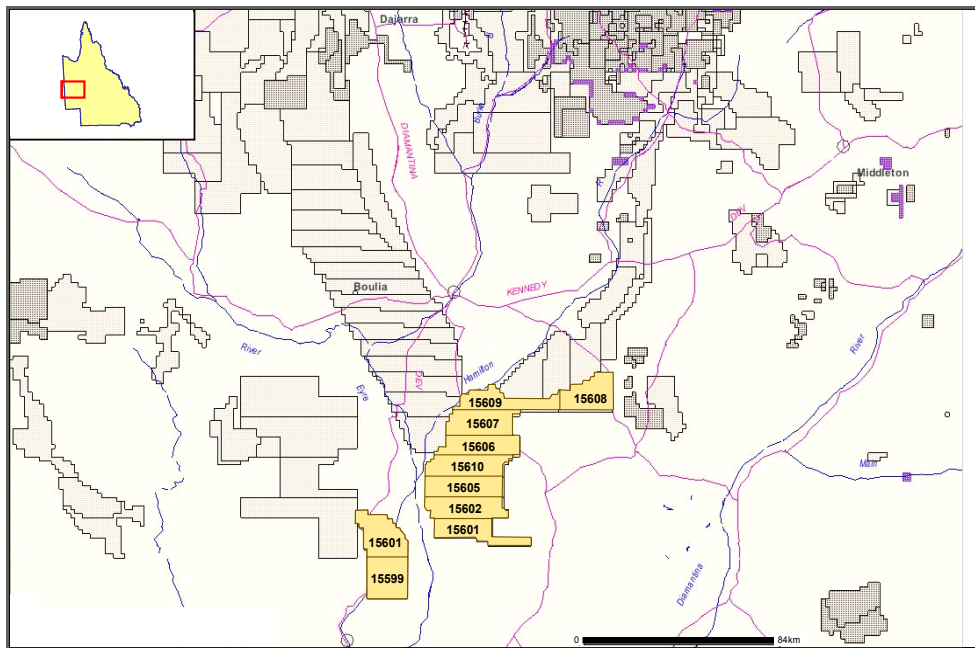
Clayton Basin Drill Hole Locations and Gamma-Ray Anomalies



Mumpie Drill Hole Locations and Gamma-Ray Anomalies

1.4 Springvale Project – Queensland

The Springvale Project consists of ten EPMS, comprising an area of 2780 km² and is located between Boulia and Bedourie in southwest Queensland. The targets are tabular style ore bodies developed in and adjacent to the weathered Toolebuc Formation. The Toolebuc Formation is enriched in uranium, vanadium, molybdenum, various other metals and oil shale.



Previous drilling within the project area comprises seven stratigraphic holes (BMR Springvale Nos. 2 to 8) that were drilled to test radiometric anomalies in the Springvale area in 1972. Two of these holes (Nos 6 & 8) intersected the Toolebuc Formation and the gamma ray logs showed anomalous gamma ray measurements. One drill hole (No 7) intersected uranium enrichment at the base of Cenozoic alluvium within the Eyre Creek Drainage system. The remaining holes (Nos. 2 to 5) were drilled to evaluate the occurrence of vanadinite, a rare mineral that is a phosphate and sulphate of aluminium and strontium. Core and cutting samples from these drill holes obtained from Geoscience Australia, Core & Cuttings Laboratory were analysed and showed that the zones of anomalous gamma ray activity contain significant uranium, vanadium and molybdenum.

The prospectivity of the project is confirmed by the presence of significant concentrations of vanadium, molybdenum and uranium in the Toolebuc Formation and in Cenozoic sediments. Outcrops of Toolebuc Formation are coincident with anomalous radioactivity detected in air borne surveys and there is a large area (600 km²) that has a strong uranium radiometric signature that lies partly within and adjacent to the tenements. The strong gamma ray anomalies seen in bore holes and the presence of shallow Toolebuc Formation within suitable trap sites that lie in proximity to extensive areas where this formation has been eroded, together with uranium, molybdenum and vanadium that have been eroded and moved through the Hamilton, Georgina, Eyre and King Creek drainage systems, strongly indicate that potential economic ore bodies are likely to be present in the EPM areas.

Air photo interpretation and geological mapping are in progress and suitable sites for ground radiometric surveys and drilling will be selected for the initial reconnaissance exploration and drilling program.

Targets at Springvale are tabular zones of enrichment that are coincident with the oxidation and reducing interface (redox zones) that may have developed at shallow depths near the water table. Reconnaissance drilling in outcrop and shallow down-dip environments, is planned for 2008. Particular attention will be given to drilling in the vicinity of faults, joints and folds identified in the photogeological maps, that may influence the location of uranium, vanadium and molybdenum enriched zones. This program can be quickly executed and will provide a cost effective exploration strategy, combining rapid evaluation and targeted exploration focus.

1.5 Key Personnel

All Technical Consultants have over 30 years of experience.

John Risinger – Managing Director of the Company, Drilling Contractor

Byron Deveson - Geochemist

Dr. Brian Senior – Geologist, Photo Geologist

Drago Panich – Geologist, Mining Engineer

1.6 Tenement List

A list of the tenements held by the Company is set out in the table below. The package of tenements represent large landholdings for the Company in each of South Australia and Queensland.

There are risks in exploration and mining of uranium in each of these states and these risk factors are set out in this Explanatory Statement.

Adavale Resources Tenements in South Australia:

EL Number	Area km ²	Grant date	Expiry date (renewable)
EL 3620	898	29 August 06	28 August 08
EL 3621	869	29 August 06	28 August 08
EL 3622	938	29 August 06	28 August 08

Adavale Resources Tenements in Queensland

EPM Number	Name	Area km ²	Status
15599	Marduroo	278	Application
15601	Mt Prout	278	Application
15602	Cuckoo	278	Application
15604	Mulya	278	Application
15605	Old Station	278	Application
15606	Pigeongah	278	Application
15607	Gidyea	278	Application
15608	Elizabeth Springs	278	Application
15609	Lorna Downs	278	Application
15610	Bindy	278	Application
TOTAL		2780	

1.7 Capital Raising

With the proposed placement of Shares to raise \$3,750,000 as detailed in Section 7 of Part B), the Company has sufficient funds for the purposes of its present proposed exploration programs and will not raise any further funds prior to the re-compliance.

1.8 Proposed Administration and Exploration Budget

The proposed administration and exploration budget for the Company following the re-capitalisation (and assuming the placement of Shares pursuant to Resolution 7 is approved) is as follows:

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Proposed Activity	Year 1 \$	Year 2 \$	Total \$
Corporate Expenses and Administration Costs	600,000	600,000	1,200,000
Geology/Geophysics	750,000	900,000	1,650,000
Drilling	950,000	1,250,000	2,200,000
Assaying	330,000	450,000	780,000
Native Title	90,000	60,000	150,000
Total	2,720,000	3,260,000	5,980,000

It should be noted that the proposed budget will be subject to modification based on the Company's evaluation of on-going results. The Company will also continually assess each of its projects and this may lead to variations in the level of expenditure reflecting changes in emphasis.

1.9 Change of Name

The Company proposes a change of name to Adavale Resources Limited. This will more appropriately reflect the nature of the new business.

1.10 Pro Forma Balance Sheet

An unaudited pro forma balance sheet of Pocketmail following completion of the proposed change to activities and a separate pro forma balance sheet showing the position after the proposed fund raising pursuant to Resolution 7 is set out below:

UNAUDITED BALANCE SHEET	31 October 2007	Assuming Placement of Shares pursuant to Resolution 7 is approved
Cash	3,537,586	7,100,086
Receivables	89,639	89,639
Other financial assets	0	0
Total current assets	3,627,225	7,189,725
Exploration expenditure	1,924,745	1,924,745
Property plant and equipment	19,598	19,598
Total non-current assets	1,944,343	1,944,343

Total Assets	5,571,568	9,134,068
LIABILITIES		
Payables	49,539	49,539
Total liabilities	49,539	49,539
Net Assets	5,522,029	9,084,529
Equity		
Contributed equity	31,101,708	34,664,208
Reserves	31,433	31,433
Accumulated losses	-25,611,112	-25,611,112
Net equity	5,522,029	9,084,529

1.11 Capital Structure

The capital structure of Pocketmail after the completion of the proposed change to activities and including the proposed placement of 50,000,000 Shares pursuant to Resolution 7, but prior to any consolidation is set out below:

Ordinary Shares	Number
Current Shares on issue	457,159,170
Placement of Shares pursuant to Resolution 7	50,000,000
TOTAL	507,159,170
Convertible Performance Shares	Number
Current Performance Shares on issue	35,000,000
Options	Number
Current Options on issue:	
2.0 cent options, expiring 31 Dec 2008	40,764,000
4.0 cent options, expiring 31 Mar 2010	30,000,000
6.0 cent options, expiring 30 Nov 2011	5,000,000
6.5 cent options, expiring 1 Dec 2011	5,000,000
TOTAL	80,764,000

Following the proposed consolidation on a 3:1 basis, and the issue of the Shares and Options referred to in this notice, the capital structure of the Company will be as follows:

Ordinary Shares	Number
Current Shares on issue	152,386,390
Issue of New Shares under the resolutions in the Notice	14,348,570
Placement of Shares pursuant to Resolution 7 consolidated on a 3:1 basis	16,666,666
TOTAL	183,401,626
Convertible Performance Shares	Number
Current Performance Shares on issue	11,666,667
Options	Number
Grant of New Options:*	
20 cent options, expiring 31 Dec 2008 (Series 1 Options)	3,882,286
20 cent options, expiring 31 Mar 2010 (Series 2 Options)	5,714,286
20 cent options, expiring 30 Nov 2011 (Series 3 Options)	1,428,571
20 cent options, expiring 1 Dec 2011 (Series 4 Options)	1,547,619
TOTAL	12,572,762

* See the calculation in Sections 5 and 6 in Part B and the splits in Schedule 1 and Schedule 2.

1.12 Indicative Timetable

The indicative timetable for the proposed change is as follows:

Event	Date*
Announcement of Change in Nature and Scale	7 December 2007
Dispatch Notice of General Meeting	14 January 2008
Lodgement of Prospectus (or Information Memorandum)**	25 January 2008
Snapshot date for eligibility to vote at the General Meeting (which is the date on which you must own Shares)	12 February 2008

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Suspension of trading in Company's securities	14 February 2008
General Meeting	14 February 2008
Anticipated date the suspension of trading is lifted and the Company is re-listed on ASX	On or about 22 February 2008

* These dates are indicative only and are subject to change without prior notice to Shareholders.

** If the Company does not raise capital then as part of the re-compliance it will need to issue an Information Memorandum.

1.13 Existing Pocketmail Business

The Company will seek to divest the existing Pocketmail business. The Company has not entered into any discussions with any third parties in that regard but will do so and report to shareholders on progress in due course.

In the event the Resolutions are not approved by Shareholders, the Company's securities will commence trading again on ASX on the basis of its current operations.

2. ADVANTAGES OF APPROVING RESOLUTIONS

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) by approving the change of nature, the Company can focus on its uranium exploration activities only and is able to divest the existing Pocketmail business;
- (b) by changing the focus and making this clear, there will no longer be confusion in the market as to the intentions of the Company. The internal research conducted by the Company had indicated that there was a level of confusion as to whether the Company was seeking to focus on its uranium activities or the existing Pocketmail business;
- (c) the uranium exploration activities represent a significant opportunity for the Company. With the existing management team and the proposed exploration programme that is to be implemented, the Company remains confident that it has the commitment and experience necessary to discover an economic resource, particularly within the substantial area of its tenement portfolio in South Australia. Shareholders should be aware, however, that uranium exploration is by its nature subject to substantial risks and the risk factors set out in this document need to be carefully considered; and
- (d) the separation of the activities of the Company should assist it in raising capital in the future and the consolidation will result in a more simplified structure.

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3. DISADVANTAGES OF APPROVING RESOLUTIONS

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Resolutions:

- (a) the Company will be changing the nature of its activities to a company focused on uranium exploration, which may not be consistent with the investment objectives of all Shareholders; and
- (b) there are many risk factors associated with the change in nature of the Company's activities. Some of these are set out in Section 4 below.

4. RISKS

Shareholders should be aware that if the Resolutions are approved, the Company will be subject to various risk factors. Based on the information available, the non-exhaustive risk factors are as follows:

4.1 Uranium Specific Risks

- (a) Federal Government Policy

The Federal Government currently permits the mining and export of uranium under strict international agreements designed to prevent the proliferation of nuclear weapons.

Both Federal Coalition and Labour Party policy favours the development of new uranium mine, albeit under strict environmental, heritage and nuclear safeguards. However, there can be no assurance that the policy will not change in the future and this may adversely affect the long-term prospects of the Company.

- (b) Queensland Government Policy

The Queensland State Government has prohibited the mining of Uranium in Queensland since 1989 and continues to do so. The development of uranium deposits is contingent upon a change in the State Government policy in relation to uranium production. There can be no assurance that the policy will change in favour of uranium mining and this may adversely affect the long term prospects for the Company's interests in the Queensland tenements.

- (c) South Australian Government Policy

Uranium mining in South Australia is permitted but is subject to stricter control than is mining in general due to concerns about the potential uses and physical characteristics of the end product and the need to comply with Commonwealth legislation, codes, international treaties, conventions and agreements. There can be no assurance that the policy will not change in the future and this may adversely affect the long-term prospects of the Company.

4.2 Exploration

Mining exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there is no assurance that recoverable mineral resources will

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be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.

4.3 Native Title and Aboriginal Heritage

The Native Title Act 1993 (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration or obtain production tenements.

In certain circumstances the consent of registered Native Title Claimants must be obtained prior to carrying out certain activities on land to which their claim relates. It is possible that the conditions imposed by Native Title Claimants on such consent may be on terms unacceptable to the Company.

4.4 Tenure and Access

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

The Company's tenements are subject to numerous State-specific legislation conditions. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

4.5 Compulsory Work Obligations

Each of the Company's tenements is subject to expenditure and work commitments which must be met in order to keep such tenements in good standing. These commitments may be varied on application by the tenement holder but any such variation is at the sole discretion of the Minister administering the relevant State mining legislation. If no variation is approved, and there is failure to meet the commitments, this could lead to forfeiture of the tenement.

4.6 Competition Risk

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

4.7 Future Capital Needs

Further funding may be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain finance will adversely affect the business and financial condition of the Company and, its performance.

4.8 General Economic Climate

Factors such as inflation, currency fluctuations, interest rates, supply and demand of capital and industrial disruption have an impact on business costs, commodity prices and stock market prices. The Company's operating costs, possible future revenues and future profitability can be affected by these factors, which are beyond the control of the Company.

4.9 Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies.

4.10 Reliance on Key Employees

The Company does and will rely on a number of key employees. The Company has in place employment contracts with key employees and has the objective of providing attractive employment conditions in general to assist in retaining key employees. However, there can be no guarantee that the Company can retain its key employees.

4.11 Share Market

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) oil and gas price fluctuations;
- (e) changes in investor sentiment toward particular market sectors;
- (f) the demand for, and supply of, capital; and
- (g) terrorism or other hostilities.

5. DIRECTORS' RECOMMENDATION

The Directors have a relevant interest in the securities of the Company as set out in the following table (on a pre-consolidation basis):

Director	Shares	Options
Richard Poole	15,693,200 Ordinary Shares	2 cent Options: 18,193,200 4 cent Options: 7,333,334
Roger Steinepreis	15,693,200 Ordinary Shares	2 cent Options:

		18,193,200 4 cent Options: 7,333,333
Philip Suriano	5,000,000 Ordinary Shares	Nil
John Risinger	24,885,000 Ordinary Shares 11,613,000 Converting Performance Shares	Nil
Mark Stevenson	20,500,000 Ordinary Shares ¹ 1,779,942 Ordinary Shares ² 10,500,000 Converting Performance Shares ³	Nil

Notes:

- ¹ Mark Stevenson has an indirect interest in these Shares.
- ² Mark Stevenson has a direct interest in these Shares.
- ³ Mark Stevenson has an indirect interest in these Shares.

Each of the Directors intends to vote their Shares in favour of all of the Resolutions, subject to any voting exclusions for particular Resolutions.

Based on the information available, including that contained in this Explanatory Statement, including the risks outlined in Section 4, all of the Directors consider that approval of the Resolutions is in the best interests of the Company and recommend that Shareholders vote in favour of the Resolutions.

EXPLANATORY STATEMENT – PART B (BUSINESS OF THE GENERAL MEETING)

1. RESOLUTION 1 – CHANGE OF NATURE AND SCALE OF ACTIVITIES**1.1 Background**

As set out in this Explanatory Statement, the Company is seeking to change the nature and scale of the Company's activities to become a mining exploration company.

1.2 Legal Requirements

Listing Rule 11.1 provides, in summary, that a listed company that proposes to make a significant change to the nature or scale of its activities must provide full details to ASX as soon as practicable and comply with the following:

- (a) the Company must provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, the company must obtain the approval of holders of its shares to the change; and
- (c) if ASX requires, the company must meet the requirements in Chapters 1 and 2 of the Listing Rules as if the Company were applying for admission to the official list of ASX,

and ASX may suspend quotation of the Shares until the Company has satisfied the requirements of Listing Rule 11.1.

ASX has informed the Company that the change in the nature and scale of the Company's activities requires the Company:

- (a) to obtain Shareholder approval; and
- (b) to re-comply with the admission requirements set out in Chapters 1 and 2 of the Listing Rules.

1.3 Effect of approval of Resolution 1

If Resolution 1 is passed, the Company will have obtained, in compliance with Listing Rule 11.1, Shareholder approval to change the nature and scale of its activities to the extent described in this Explanatory Statement.

2. RESOLUTION 2 – CHANGE OF COMPANY NAME**2.1 Background**

The Company proposes to change its name to more accurately reflect the proposed future operations of the Company. The proposed new name is "Adavale Resources Limited".

2.2 Legal Requirements

Section 157(1) of the Corporations Act provides that a company may adopt a new name by special resolution passed at a general meeting.

2.3 Effect of approval of Resolution 2

If Resolution 2 is passed, the Company will change its name from the effective date of the Resolution (being the date of the General Meeting) from PocketMail Group Limited to Adavale Resources Limited.

3. RESOLUTION 3 – CONSOLIDATION OF CAPITAL

3.1 Background

Resolution 3 seeks Shareholder approval to consolidate the number of Company Shares and Options on issue on a one (1) for three (3) basis to be effected immediately following the General Meeting.

The purpose of the Consolidation is to implement a more appropriate capital structure for the Company going forward and enable the Company to satisfy Chapters 1 and 2 of the Listing Rules and obtain re-quotation of its Shares on ASX.

3.2 Legal Requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number. As such, the Company is seeking shareholder approval for the Consolidation.

Listing Rule 7.20 provides that a company that proposes to re-organise its capital must tell equity security holders in writing of the following:

- (a) the effect of the proposal on the number of securities and the amount of unpaid (if any) on the securities;
- (b) the proposed treatment of any fractional entitlements arising from the re-organisation; and
- (c) the proposed treatment of any convertible securities on issue.

In addition:

- (a) under Listing Rule 7.21, the capital of a company may only be reorganised if, in respect of convertible securities (such as the Convertible Performance Shares), the number of convertible securities or the conversion price, or both, is re-organised so that the holder of the convertible securities will not receive a benefit that holders of ordinary securities do not receive; and
- (b) under Listing Rule 7.22.1, a company proposing to re-organise its capital must consolidate the number of options on issue in the same ratio as the ordinary securities, and the exercise price must be amended in inverse proportions to the ratio.

The Notice of Meeting and Explanatory Statement provide notice to security holders in accordance with Listing Rule 7.20 and contain the information required by that Listing Rule. The Consolidation has been structured to satisfy Listing Rules 7.21 and 7.22.1.

3.3 Fractional entitlements and taxation

Not all Shareholders will hold that number of Shares that can be evenly divided by 3. Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole Share.

Not all Option holders will hold that number of Options that can be evenly divided by 3. Where a fractional entitlement occurs, the Directors will round that fraction up to the nearest whole Option.

It is not considered that any taxation consequences will exist for Shareholders or Option holders arising from the Consolidation. However, Shareholders and Option holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor the Directors (or the Company's advisers) accept any responsibility for the individual taxation consequences arising from the Consolidation.

3.4 Holding Statements and Option Certificates

As from the effective date of Resolution 3 (being the date of the General Meeting):

- (a) all holding statements for Shares will cease to have any effect, except as evidence of entitlement to a certain number of post-consolidation Shares;
- (b) all certificates for Options (if any) will cease to have any effect, except as evidence of entitlement to a number of post-Consolidation Options.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares and, to the extent required, new Option certificates, to be issued to Shareholders.

3.5 Effect of approval of Resolution 3

If Resolution 3 is passed, the number of Shares and Options on issue will change as set out in the table in Part A of the Explanatory Statement.

4. RESOLUTION 4 – ADOPTION OF NEW CONSTITUTION

4.1 Background

Resolution 4 seeks the approval of Shareholders to the adoption of a new Constitution for the Company. The existing Constitution is out of date, with references to Asia Gold Mining Corporation Limited, a previous name of the Company.

A copy of the proposed new Constitution will be sent to any Shareholder upon request and will also be available for inspection at the Company's registered office during normal business hours prior to the Meeting and available for inspection at the Meeting.

4.2 Legal Requirements

Section 136(2) of the Corporations Act requires the Shareholders to pass a special resolution to adopt a new Constitution.

4.3 Effect of approval of Resolution 4

If Resolution 4 is passed, the Company's existing Constitution will be replaced from the date of the General Meeting by the new Constitution.

5. RESOLUTION 5 – ISSUE OF SHARES AND OPTIONS - DIRECTORS

5.1 Background

Resolution 5 seeks Shareholder approval for the issue of the Shares and Options to Directors or their nominees as set out in Schedule 1 (**Director Share and Options**).

The reason for the issue is as follows:

- (a) each of the nominee entities of Richard Poole and Roger Steinepreis hold 18,193,200 Series 1 Options and 7,333,333 Series 2 Options. These have a strike price of 2 cents and 4 cents respectively;
- (b) as a requirement of the re-compliance with Chapters 1 and 2 of the Listing Rules, all options granted must have an exercise price of at least 20 cents each;
- (c) as the exercise price of the options granted to the Directors referred to above are 2 cents and 4 cents respectively, with the consolidation on a 3 for 1 basis, the exercise prices will be below 20 cents; and
- (d) to resolve this issue, and so as not to prejudice the Directors, it is proposed that the existing options be replaced by a mix of Shares and Options to place the relevant Director in the same effective position that they would have been in had the re-compliance not occurred. The total number of Shares and Options to be granted under this Resolution will equal the total number of Options presently held by the Director. This applies to all persons who hold options in the Company and the proposal in Resolution 6 follows the same mechanism for conversion.

The following formula has been used to calculate the number of Shares and Options to be granted:

$$CE = IV + UP$$

Where:

CE means current entitlement.

IV means intrinsic value in shares calculated as:

$$IV = \frac{(7 - EP) \times NOP}{7}$$

Where:

EP = exercise price of the relevant option;

NOP = number of options held in a specific class; and

7 represents the deemed price per share in cents for the purposes of the formula.

UP means the upside proportional potential determined in options with a share price equal to the deemed price per share of 7 cents calculated as:

$$UP = NEO - IV$$

Where:

NEO means the number of existing options held in a specific class.

As a worked example, a person who holds 1 million options exercisable at 2 cents will have the following Shares and Options issued:

$$\begin{aligned} IV &= \frac{(7 - 2) \times 1,000,000}{7} \\ &= \frac{5,000,000}{7} \\ &= 714,286 \text{ (rounded up)} \end{aligned}$$

AND

$$\begin{aligned} UP &= 1,000,000 - 714,286 \\ &= 285,714 \end{aligned}$$

Therefore:

CE = 714,286 Shares and 285,714 Options exercisable at 7 cents each with the same expiry date, being a total of 1,000,000 Shares and Options.

Post consolidation, this will be 238,095 Shares and 95,238 Options exercisable at 21 cents each.

The effect of the above is that the relevant Director will have the same number of Shares and Options in total, as the total number of Options that the Director currently holds, with the effect that the Director is placed in the same effective position post consolidation.

The Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied. These are summarised below.

5.2 Listing Rule 6.23.2

ASX Listing Rule 6.23.2 requires that a listed company obtain shareholder approval prior to implementing a change which has the effect of cancelling an option for consideration.

5.3 Listing Rule 10.11

Approval for the issue of securities is required pursuant to Listing Rule 10.11.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Director Options to the proposed Directors as approval is being obtained under Listing Rule 10.11. Shareholders should note that the issue of securities to the Directors will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11. For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) the maximum number of Director Shares and Options to be issued by the Company is as set out in Schedule 1;
- (b) the Director Shares and Options will be issued for no cash consideration;
- (c) the Director Shares and Options will be issued not later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that allotment will occur on one date;
- (d) no funds will be raised from the issue of the Director Shares and Options as the purpose of the issue is to place the Directors in the same position they would have been in had the re-compliance not occurred; and
- (e) the Director Shares are issued on the same terms as the existing fully paid ordinary shares and the Director Options will be issued on the terms and conditions set out in Schedule 3 of this Explanatory Statement.

5.4 Section 208 of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions to the section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party.

In the current circumstances, the issue of the Director Shares and Options to the Directors constitutes a "financial benefit" as defined in the Corporations Act. Further, the Directors are each a "related party" of the Company as defined under the Corporations Act. Accordingly, the proposed issue of Director Shares and Options to the Directors will constitute the provision of financial benefits to related parties of the Company.

It is the view of the Directors that the exceptions under the Corporations Act to the provision of financial benefits to related parties may not apply in the current circumstances.

The Directors have determined to seek Shareholder approval under Section 208 of the Corporations Act to permit the issue of the Director Options.

5.5 Sections 217 to 227 of the Corporations Act

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefits to be given to the Directors:

- (a) the related parties to whom the financial benefits will be given are entities associated with each of Richard Poole and Roger Steinepreis;
- (b) the maximum number of Director Shares and Options (being the nature of the financial benefits to be provided) to be issued is set out in Schedule 1;

- (c) Richard Poole and Roger Steinepreis, being the Directors who have a material personal interest in the outcome of Resolution 5 are not able to make a recommendation whether Shareholders should vote in favour of Resolution 5. The other Directors recommend that Shareholders vote in favour of the resolution on the basis that the conversion of the options is necessary to allow the Company to seek to be re-instated as part of the re-compliance with Chapters 1 and 2 of the Listing Rules, and the conversion does not grant to the Director any greater benefit than that which they are already entitled to through their existing options;
- (d) Richard Poole and Roger Steinepreis currently have an interest in the following securities in the Company (held via controlled entities):

Director	Shares	Options
Richard Poole	15,693,200 Shares	18,193,200 2 cent options and 7,333,334 4 cent options
Roger Steinepreis	15,693,200 Shares	18,193,200 2 cent options and 7,333,333 4 cent options

- (e) the remuneration and emoluments from the Company to Richard Poole and Roger Steinepreis for both the financial year ended 30 June 2007 and the previous financial year are set out below:

Director	Financial Year to 30 June 2007	Previous Financial Year
Richard Poole	\$35,000	Nil*
Roger Steinepreis	\$20,000	Nil**

* A company controlled by Mr Poole has received consulting fees for the provision of administration and management services to the Company in the amount of \$120,000 per year for the past 2 financial years.

** Steinepreis Paganin, a firm of which Mr Steinepreis is a partner has received fees for legal services during the past 2 years at normal commercial rates.

- (f) if Shareholders approve the issue of Director Shares and Options to Richard Poole and Roger Steinepreis and all of the Director Shares and Options are issued or exercised, the effect will be to place the Directors in the same effective position they would have been in had they been entitled to retain the existing options, because the number of Shares and new options equals the number of existing options. For this reason it is considered that the issue of the Director Shares and Options is not dilutionary. It should be noted that in respect of the new options, the market price for Shares during the term of the Director Options would normally determine whether or not the Richard Poole or Roger Steinepreis would exercise the Director Options. If, at the time any of the Director Options are exercised, the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company. In the 12 months preceding

the date of this Notice, the highest, lowest and last trading price of Shares on ASX are as set out below:

	Date	Price
Highest:	14 June 2007	11.5 cents
Lowest:	3 January 2007	1.7 cents
Last:	20 December 2007	5.5 cents

- (g) the ASIC in reviewing documents lodged under section 218 relating to the giving of financial benefits to related parties of public companies requires explanatory information regarding the value of the options proposed to be granted. The value of the Director Options has been calculated internally by the Company using the Black & Scholes pricing model and is set out below; and
- (h) the Directors are not aware of any further information that Shareholders should consider before making a decision to vote on Resolution 5.

5.6 Valuation of Director Shares and Options

The Director Options have been valued using the Black & Scholes pricing model and based upon the following assumptions:

- (a) the Director Options expire on the relevant dates set out in the Schedule and are all exercisable at 21 cents per Share (post-Consolidation);
- (b) the volume-weighted average price per Share for the 12 month period prior to the time the Company determined to issue the Director Options was 6.17 cents (pre-Consolidation) and 18.51 cents (post-Consolidation);
- (c) an annual common volatility factor of 40%;
- (d) an interest rate of 5.8%; and
- (e) the valuation date for the Director Options is 20 December 2007, being the date this calculation is made.

Based on the above, the Director Options have been valued (post-Consolidation) at 2.5 cents each for the Series 1 Options and 4.4 cents each for the Series 2 Options. Although the exercise price of the Series 1 Options (2 cents) is less than the exercise price for the Series 2 Options (4 cents), the expiry date for the Series 1 Options is 31 March 2008 and the expiry date for the Series 2 Options is 31 March 2010, and accordingly the value of the Series 1 Options is less than the Series 2 Options. The (post-Consolidation) valuation ascribed to the Director Options may not necessarily represent the market price of the Director Options at the date of the valuation.

5.7 Effect of approving Resolution 5

If Resolution 5 is passed, the Director Shares and Options will be issued to the relevant Director referred to above, each of whom is a related party of the Company.

6. RESOLUTION 6 – ISSUE OF SHARES AND OPTIONS

6.1 Background

Resolution 6 seeks Shareholder approval for the issue of the Shares and Options to the Optionholders (being all those persons other than the Directors who hold options in the Company with an exercise price of 6.5 cents or less pre-consolidation) as set out in Schedule 2 (**Optionholder Share and Options**).

The reasons for the issue to the Optionholders are the same as set out in the discussion on Resolution 5 and the same formula applies.

6.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an option) if the number of those securities exceeds 15% of the total ordinary securities on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders in a general meeting.

The Company is seeking approval under this Listing Rule for the proposed issue of the Shares and Options to the Optionholders as set out in Schedule 2 to allow this number of securities not to be included in the calculation under ASX Listing Rule 7.1. This will enable the Company to have the flexibility to issue equity securities in the future up to the 15% threshold without the requirement to obtain Shareholder approval.

Listing Rule 7.3 requires that the following information be provided to Shareholders when seeking an approval for the purposes of Listing Rule 7.1:

- (a) the maximum number of securities to be issued is the number of Optionholder Shares and Options as set out in Schedule 2 and the persons who comprise the Optionholders are set out in the same Schedule;
- (b) the Optionholder Shares and Options will be issued for no cash consideration;
- (c) no funds will be raised from the issue of the Optionholder Shares and Options as the purpose of the issue is to place the Optionholders in the same position they would have been in had the re-compliance not occurred;
- (d) the Optionholder Shares are issued on the same terms as the existing fully paid ordinary shares and the Optionholder Options will be issued on the terms and conditions set out in Schedule 3 of this Explanatory Statement;
- (e) the Optionholder Shares and Options will be issued no later than three (3) months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules); and

- (f) it is intended that allotment of the Optionholder Shares and Options will occur on one date.

6.3 Listing Rule 6.23.2

As detailed in section 5.2, ASX Listing Rule 6.23.2 requires that a listed company obtain shareholder approval prior to implementing a change which has the effect of cancelling an option for consideration.

6.3 Effect of approving Resolution 6

If Resolution 6 is passed, the Optionholder Shares and Options will be issued to the relevant Optionholder referred to in Schedule 2. It should be noted however that an Optionholder may exercise an Option or Options prior to the Meeting and this will reduce the number of Optionholder Shares and Options that may need to be issued.

7. RESOLUTION 7 – PLACEMENT

7.1 Background

The Company has entered into an agreement with Crosby Corporate Finance (Holdings) Limited (**Crosby**) (**Placement Agreement**). Pursuant to the Placement Agreement, Crosby agreed to arrange for the placement of 50,000,000 Shares (on a pre consolidation basis) at an issue price of \$0.075 per Share to Crosby's associated companies and clients (**Share Placement**).

The Placement Agreement is conditional upon:

- (a) the Company obtaining all necessary regulatory and corporate approvals (including all necessary Shareholder approvals) to alter the nature of its business (as detailed in Resolution 1); and
- (b) the Company obtaining all necessary regulatory and corporate approvals (including all necessary Shareholder approvals) to issue the Shares the subject of the Shares Placement,

(together, the **Conditions**)

Settlement of the Placement Agreement will be the later of either 22 February 2008 or 5 days after the Conditions are satisfied.

The Company intends to use the raised from the Share Placement for the purpose of the proposed budget of expenditure set out in this Notice.

7.2 General

Resolution 7 seeks Shareholder approval for the allotment and issue of the Shares pursuant to the Share Placement to parties to be identified by the Company. Post consolidation, this will be 16,666,667 Shares.

None of the subscribers pursuant to this issue will be related parties of the Company.

A summary of ASX Listing Rule 7.1 is set out in Section 6.2 above.

The effect of Resolution 7 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of 3 months after the

General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

7.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) the maximum number of Shares to be issued is 50,000,000 (on a pre consolidation basis);
- (b) the Shares will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be \$0.075 per Share;
- (d) pursuant to the Placement Agreement, the Shares were be issued to associated companies and clients of Crosby Corporate Finance (Holdings) Limited. Crosby Corporate Finance (Holdings) Limited has advised the Company that the subscriber will be IB Daiwa Corporation. This entity is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) as detailed above, the Company intends to use the raised from the Share Placement for the purpose of the proposed budget of expenditure set out in this Notice.

GLOSSARY

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Company and **Pocketmail** means PocketMail Group Limited (ABN 96 008 719 015).

Convertible Performance Shares means 35,000,000 convertible performance shares issued by the Company to various entities.

Consolidation means the consolidation of the Company's capital to be undertaken under Resolution 3.

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

EST means Eastern Standard Time.

Explanatory Statement means the explanatory statement attached to the Notice.

General Meeting means the meeting convened by the Notice.

Listing Rules means the Listing Rules of the ASX.

Notice means the notice of general meeting which is attached to this Explanatory Statement.

Official List means the official list of ASX.

Option or **Options** means an option to acquire a fully paid ordinary share in the capital of the Company.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Series 1 Options, Series 2 Options, Series 3 Options, Series 4 Options means the Options with the terms and conditions set out in Schedule 3.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

SCHEDULE 1 – DIRECTOR SHARES AND OPTIONS SCHEDULE

Director	Current Options	New Pre-Consolidation Shares	New Pre-Consolidation Options
Richard Poole	18,193,200 Series 1 Options 7,333,334 Series 2 Options	16,138,000 Shares	5,198,057 Series 1 Options and 4,190,477 Series 2 Options
Roger Steinepreis	18,193,200 Series 1 Options 7,333,333 Series 2 Options	16,138,000 Shares	5,198,057 Series 1 Options and 4,190,477 Series 2 Options
TOTAL	36,386,400 Series 1 Options 14,666,667 Series 2 Options	32,276,000 Shares	10,396,114 Series 1 Options and 8,380,954 Series 2 Options

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SCHEDULE 2 – OPTIONHOLDERS SHARES AND OPTIONS SCHEDULE

Optionholder	Current Options	New Pre-Consolidation Shares	New Pre-Consolidation Options
BSJS Pty Ltd	2,000,000 Series 1 Options	1,428,572 Shares	571,428 Series 1 Options
Crosby Corporate Finance (Holdings) Ltd	5,000,000 Series 3 Options and 5,000,000 Series 4 Options	1,071,429 Shares	4,285,714 Series 3 Options and 4,642,857 Series 4 Options
Euroz Securities Limited	12,333,333 Series 2 Options	5,285,714 Shares	7,047,619 Series 2 Options
Drago Panich	1,000,000 Series 2 Options	428,571 Shares	571,429 Series 2 Options
Brian Roy Senior	1,000,000 Series 2 Options	428,571 Shares	571,429 Series 2 Options
Mark Struthers	1,000,000 Series 2 Options	428,571 Shares	571,429 Series 2 Options
Zero Nominees Pty Ltd	2,377,600 Series 1 Options	1,698,286 Shares	679,314 Series 1 Options

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SCHEDULE 3 – TERMS AND CONDITIONS OF OPTIONS

Series 1 Options:

Each option shall be granted subject to the following terms and conditions:

- (a) each option entitles the holder, when exercised, to one (1) Share;
- (b) the options are exercisable at any time on or before 31 December 2008;
- (c) the exercise price of the options is 21 cents each;
- (d) subject to the Corporations Act, the Constitution and the ASX Listing Rules, the options are fully transferable;
- (e) the options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the option holder to exercise a specified number of options, accompanied by an option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the options held does not affect the holder's right to exercise the balance of any options remaining;
- (f) all Shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued Shares;
- (g) the options will not be listed on the Official List of ASX;
- (h) there are no participating rights or entitlements inherent in the options and the holder will not be entitled to participate in new issues of options to Shareholders during the currency of the options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, option holders will be notified of the proposed issue at least seven (7) business days before the record date of any proposed issue. This will give option holders the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue;
- (i) in the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the options, all rights of the option holder will be varied in accordance with the ASX Listing Rules; and
- (j) in the event the Company makes a pro rata issue of securities, the exercise price of the options will change in accordance with the formula set out in ASX Listing Rule 6.22.2.

Series 2 Options:

Each option shall be granted subject to the following terms and conditions:

- (a) each option entitles the holder, when exercised, to one (1) Share;
- (b) the options are exercisable at any time on or before 31 March 2010;
- (c) the exercise price of the options is 21 cents each;
- (d) subject to the Corporations Act, the Constitution and the ASX Listing Rules, the options are fully transferable;

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- (e) the options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the option holder to exercise a specified number of options, accompanied by an option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the options held does not affect the holder's right to exercise the balance of any options remaining;
 - (f) all Shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued Shares;
 - (g) the options will not be listed on the Official List of ASX;
 - (h) there are no participating rights or entitlements inherent in the options and the holder will not be entitled to participate in new issues of options to Shareholders during the currency of the options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, option holders will be notified of the proposed issue at least seven (7) business days before the record date of any proposed issue. This will give option holders the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue;
 - (i) in the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the options, all rights of the option holder will be varied in accordance with the ASX Listing Rules;
 - (j) in the event the Company makes a pro rata issue of securities, the exercise price of the options will change in accordance with the formula set out in ASX Listing Rule 6.22.2; and
 - (k) the Options will only be able to be exercised if within 24 months from settlement of the acquisition of Adavale Minerals Pty Ltd and Adavale Queensland Pty Ltd the following performance hurdles are met:
 - (i) an inferred resource of a minimum of 5,000 tonnes of U₃O₈ equivalent including molybdenum and vanadium credits counting as U₃O₈ equivalents, at the spot prices for these commodities as at 22 January 2007 must be delineated in respect of the Tenements; and
 - (ii) the minimum resource referred to in paragraph (a) shall have a U₃O₈ grade of a minimum of 0.03% including molybdenum and vanadium credits counting as U₃O₈ equivalents, at the spot prices for these commodities as at 22 January 2007.

Series 3 Options:

Each option shall be granted subject to the following terms and conditions:

- (a) each option entitles the holder, when exercised, to one (1) Share;
- (b) the options are exercisable at any time on or before 30 November 2011;
- (c) the exercise price of the options is 21 cents each;
- (d) subject to the Corporations Act, the Constitution and the ASX Listing Rules, the options are fully transferable;

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- (e) the options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the option holder to exercise a specified number of options, accompanied by an option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the options held does not affect the holder's right to exercise the balance of any options remaining;
 - (f) all Shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued Shares;
 - (g) the options will not be listed on the Official List of ASX;
 - (h) there are no participating rights or entitlements inherent in the options and the holder will not be entitled to participate in new issues of options to Shareholders during the currency of the options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, option holders will be notified of the proposed issue at least seven (7) business days before the record date of any proposed issue. This will give option holders the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue;
 - (i) in the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the options, all rights of the option holder will be varied in accordance with the ASX Listing Rules; and
 - (j) in the event the Company makes a pro rata issue of securities, the exercise price of the options will change in accordance with the formula set out in ASX Listing Rule 6.22.2.

Series 4 Options:

Each option shall be granted subject to the following terms and conditions:

- (a) each option entitles the holder, when exercised, to one (1) Share;
- (b) the options are exercisable at any time on or before 1 December 2011;
- (c) the exercise price of the options is 21 cents each;
- (d) subject to the Corporations Act, the Constitution and the ASX Listing Rules, the options are fully transferable;
- (e) the options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the option holder to exercise a specified number of options, accompanied by an option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the options held does not affect the holder's right to exercise the balance of any options remaining;
- (f) all Shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued Shares;
- (g) the options will not be listed on the Official List of ASX;

- (h) there are no participating rights or entitlements inherent in the options and the holder will not be entitled to participate in new issues of options to Shareholders during the currency of the options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, option holders will be notified of the proposed issue at least seven (7) business days before the record date of any proposed issue. This will give option holders the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue;
- (i) in the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the options, all rights of the option holder will be varied in accordance with the ASX Listing Rules; and
- (j) in the event the Company makes a pro rata issue of securities, the exercise price of the options will change in accordance with the formula set out in ASX Listing Rule 6.22.2.

PROXY FORM

**APPOINTMENT OF PROXY
POCKETMAIL GROUP LIMITED
ABN 96 008 719 015**

GENERAL MEETING

I/We

being a Member of PocketMail Group Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

OR

Mark this box if you wish to appoint the Chairman of the Meeting as your proxy or failing the person so named or, if no person is named, the Chairman of the General Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at Level 56, MLC Centre, 19-29 Martin Place, Sydney, NSW, on 14 February 2008 at 10 am (EST) and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all resolutions.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Change of Nature and Scale of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Issue of Shares and Options - Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Issue of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

If the Chairman of the General Meeting is appointed as your proxy and you do **not** wish to direct your proxy how to vote on these Resolutions, please place a mark in this box

By marking this box, you acknowledge that the Chairman of the General Meeting may exercise your proxy even if he has an 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 Chairman intends to vote in favour of these Resolutions. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your votes on the Resolutions and your votes will not be counted in computing the required majority if a poll is called on these Resolutions.

IF THE CHAIRMAN IS TO BE YOUR PROXY IN RELATION TO THE RESOLUTIONS YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY IN RELATION TO THE RESOLUTIONS WILL BE DISREGARDED.

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

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

Signed this _____ day of _____ 2008 _____ %

By:

Individuals and joint holders

Signature
Signature
Signature

Companies (affix common seal if appropriate)

Director
Director/Company Secretary
Sole Director and Sole Company Secretary

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POCKETMAIL GROUP LIMITED
ABN 96 008 719 015

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the General Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.

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