

31 October 2011

The Manager
Company Announcement Office
Australian Securities Exchange

By Electronic Lodgement

Dear Sir

NOTICE OF ANNUAL GENERAL MEETING

Please find attached the Notice of Annual General Meeting which has been dispatched to shareholders.

Yours Faithfully



Darren Crawte
Company Secretary



SOLCO LIMITED

ACN 084 656 691

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT AND

PROXY FORM

TIME: 2.00 pm (WST)

DATE: 30 November 2011

PLACE: UWA Club
University of Western Australia
M800, 35 Stirling Highway,
Crawley, Western Australia

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 on (+61 8) 9463 2463.

For personal use only

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2.00pm (WST) on 30 November 2011 at:

UWA Club,
University of Western Australia, M800
35 Stirling Highway
Crawley, Western Australia

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Solco Limited, 12 Brennan Way, Belmont, WA 6104; or
- (b) facsimile to the Company on facsimile number +61 8 9334 8199.

so that it is received not later than 2.00pm (WST) on 28 November 2011.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 2.00pm (WST) on 30 November 2011 at UWA Club, University of Western Australia, M800, 35 Stirling Highway, Crawley, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual 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 Annual General Meeting are those who are registered Shareholders of the Company at 5.00 pm on 28 November 2011.

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

AGENDA

1. ANNUAL REPORT

To receive and consider the financial report of the Company together with the reports of the Directors and the auditor for the financial year ended 30 June 2011.

2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report in the 2011 Annual Report of the Company for the financial year ended 30 June 2011 be adopted."

Short Explanation: The Remuneration Report is in the Directors' Report section of the Company's Annual Report. Listed companies are required to put the Remuneration Report to the vote for adoption at the Company's Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement: A vote on this resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report;
- (b) a Closely Related Party of such a member.

However any of those persons may cast a vote on the resolution if:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
 - (b) the vote is not cast on behalf of a person described in paragraphs (a) or (b) above.
-

3. RESOLUTION 2 – RE-ELECTION OF MR DAVID RICHARDSON AS A DIRECTOR

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

"That Mr David Richardson, being a Director of the Company who retires by rotation in accordance with clause 8.1 (e) (ii) of the Company's Constitution, and being eligible, is re-elected as a Director of the Company".

4. **RESOLUTION 3 – RE-ELECTION OF MR MARK NORMAN AS A DIRECTOR**

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

“That Mr Mark Norman, being a Director of the Company who retires by rotation in accordance with clause 8.1 (e) (ii) of the Company’s Constitution, and being eligible, is re-elected as a Director of the Company”.

5. **RESOLUTION 4 – ISSUE OF OPTIONS TO MR DAVID RICHARDSON**

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

“That, for the purposes of Section 208 of the Corporations Act 2001 (Cth), Listing Rule 10.11 of the ASX Listing Rules and for all other purposes, approval is given for the Directors to allot and issue 1,000,000 Options to Mr David Richardson (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr David Richardson (or his nominee) and any of his associates. 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 meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. **RESOLUTION 5 – ISSUE OF OPTIONS TO MR MARK NORMAN**

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

“That, for the purposes of Section 208 of the Corporations Act 2001 (Cth), Listing Rule 10.11 of the ASX Listing Rules and for all other purposes, approval is given for the Directors to allot and issue 1,000,000 Options to Mr Mark Norman (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Mark Norman (or his nominee) and any of his associates. 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 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.

7. **RESOLUTION 6 – ISSUE OF OPTIONS TO MR IAN CAMPBELL**

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

“That, for the purposes of Section 208 of the Corporations Act 2001 (Cth), Listing Rule 10.11 of the ASX Listing Rules and for all other purposes, approval is given for the Directors to allot and issue 1,000,000 Options to Mr Ian Campbell (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Ian Campbell (or his nominee) and any of his associates. 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 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.

8. **RESOLUTION 7 – APPROVAL FOR THE PROPOSED PLACEMENT OF UP TO 60,000,000 SHARES**

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

"That, for the purposes of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue and allotment by the Company to sophisticated or professional or overseas investors or other subscribers to whom the shares can be issued without a disclosure document of up to 60,000,000 Shares in the Company at an issue price not less than 80% of the average market price (as defined in the ASX Listing Rules) for the Company's Shares calculated, for each issue of Shares which is made, over the last 5 days on which sales in Shares were recorded before the day on which the issue is made."

Short Explanation: Subject to specified exceptions, a company must not issue more than 15% of the number of securities in the same class on issue at the commencement of that 12 month period, without the approval of shareholders. Please refer to the Explanatory Statement for details.

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

DATED: 31 OCTOBER 2011

BY ORDER OF THE BOARD



DARREN CRAWTE
COMPANY SECRETARY

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 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

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 2.00pm (WST) on 30 November 2011 at UWA Club, University of Western Australia, M800, 35 Stirling Highway, Crawley, Western Australia.

The 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 in the Notice of Meeting.

1. ANNUAL REPORT

Section 317 of the Corporations Act requires the reports of the Directors and of the auditors and the Annual Report, including the financial statements to be put before the Annual General Meeting and the Constitution provides for those reports and statements to be received and considered at the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the reports or statements. However, Shareholders will be given the opportunity to raise questions on the reports and the statements at the Annual General Meeting.

The Company's 2011 Annual Report is available at www.solco.com.au. Those holders that elected to receive a printed copy of the Annual Report will have received a copy with this Notice of Annual General Meeting.

2. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

The Remuneration Report is in the Directors Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives named in the Remuneration Report for the financial year ended 30 June 2011.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only, however, and does not bind the Board or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution that a further meeting is held at which all of the Company's Directors (other than the Managing Director) must go up for re-election. Voting on this resolution will be determined by a poll at the meeting rather than a show of hands.

Undirected proxies

Any undirected proxies held by the Chair of the meeting will not be voted on this resolution. Accordingly, if you appoint the Chair of the meeting as your proxy, you should direct him how to vote on this resolution if you want your shares to be voted. The same will apply if you appoint any other Director of the Company, any other of its Key Management Personnel or any of their closely related parties.

Key Management Personnel of the Company has the same meaning as set out in the accounting standards and includes the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year to 30 June 2011. Their Closely Related Parties are defined in the Corporations Act, and include certain members of their family, dependents and companies they control.

3. RESOLUTION 2 – RE-ELECTION OF MR DAVID RICHARDSON AS A DIRECTOR

In accordance with clause 8.1 of the Company's constitution, a Director must retire from office at the third Annual General Meeting after the Director was elected or re-elected. An election of directors must be held at each Annual General Meeting. Mr Richardson retires from office in accordance with this requirement and being eligible offers himself for re-election by shareholders as a director of the Company, with effect from the end of the meeting.

Mr Richardson is a qualified mechanical engineer who has over 31 years of high level business experience. Mr Richardson established a successful engineering enterprise of Toussaint & Richardson in 1982 which he ran until it was acquired in 2000. More recently he was a senior executive of the large, publicly listed engineering firm Worley Parsons, serving as head of the Minerals and Metals division. Mr Richardson also acted as a non-executive director of Emerson Stewart Group Limited until 29 April 2011.

Mr Richardson has extensive operational, commercial and engineering experience in Australia and internationally.

Your Directors have reviewed the necessary competencies of the Board members and each candidate's contribution to the Board and, with Mr Richardson abstaining, unanimously recommends that Shareholders vote in favour of the re-election of Mr. Richardson.

4. RESOLUTION 3 – RE-ELECTION OF MR MARK NORMAN AS A DIRECTOR

In accordance with clause 8.1 of the Company's constitution, a Director must retire from office at the third Annual General Meeting after the Director was elected or re-elected. An election of directors must be held at each Annual General Meeting. Mr Norman retires from office in accordance with this requirement and being eligible offers himself for re-election by shareholders as a director of the Company, with effect from the end of the meeting.

Mr Norman is a qualified electronics engineer who has maintained his technical relevance through continuing professional development with extensions into management, business systems and IT training.

Mr Norman's vocational experience commenced as an electrical engineer with Alcoa Australia (1981-84). Mr Norman then joined the Orbital Group from 1985 to 2004 with appointments progressing from Senior Project Engineer to Country Manager (Indonesia) to CEO and President of several related Orbital Group companies in USA and France, as the organisation's operations globalised.

The quality of Mr Norman's hands on operational experience has more recently been displayed in his COO role at Advanced Nanotechnology Limited and with Solco Ltd.

Your Directors have reviewed the necessary competencies of the Board members and each candidate's contribution to the Board and, with Mr Norman abstaining, unanimously recommends that Shareholders vote in favour of the re-election of Mr. Norman.

5. RESOLUTION 4, 5 AND 6 – ISSUE OF OPTIONS TO MESSRS DAVID RICHARDSON, MARK NORMAN AND IAN CAMPBELL

5.1 Background

This Resolution seeks Shareholder approval for the grant of 1,000,000 Options each to Messrs Richardson, Norman and Campbell or their nominees. Mr Richardson is the Company's Executive Chairman, Mr Norman is an Executive Director and Mr Campbell is a Non-Executive Director of the Company.

Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act (section 208) and ASX Listing Rule 10.11 because Messrs Richardson, Norman and Campbell are Related Parties of the Company.

5.2 Chapter 2E of the Corporations Act - Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Messrs Richardson, Norman and Campbell are Related Parties of the Company.

This Resolution provides for the grant of Options to a Related Party, which is a financial benefit requiring Shareholder approval in the absence of a specified exception applying.

For the purpose of Chapter 2E of the Corporations Act the following information is provided.

(a) The related party to whom the resolutions would permit the financial benefit to be given

The related parties under these three Resolutions are Messrs Richardson, Norman and Campbell or their nominee.

(b) The nature of the financial benefit

The financial benefit proposed to be given is the grant of 1,000,000 Options to each of the three Directors (3,000,000 Options in total). The Options have an expiry date of 30 November 2013 and are issued on the terms set out in Annexure A.

The Options will have an exercise price of \$0.14, with 50% vesting immediately with the remaining 50% vesting 12 months after the grant date.

(c) Directors recommendation and basis of financial benefit

The purpose of the grant of the Options is to provide an incentive to Messrs Richardson, Norman and Campbell to provide dedicated and ongoing commitment and effort to the Company.

Given the interest in this matter by each of the three Directors, the Board as a whole makes no recommendation on these three Resolutions.

(d) *Total remuneration package of Messrs Richardson, Norman and Campbell*

The Directors' current base remuneration per annum (including superannuation) is as follows:

Director	Description	\$
David Richardson	Executive Director Fee	65,400
Mark Norman	Executive Director Salary	289,940
Ian Campbell	Non-Executive Director Fee	49,050

(e) *Existing relevant interests*

As at the date of this Notice, the Directors' relevant interests in the securities of the Company are as follows:

Director	Shares	Unlisted Options	Total securities held
David Richardson	89,170,775	-	89,170,775
Mark Norman	250,000	-	250,000
Ian Campbell	-	-	-

(f) *Dilution*

Passing the Resolution would have the effect of granting Messrs Richardson, Norman and Campbell (or their nominee) a combined total of 3,000,000 Options.

Granting the Options would have the effect of diluting the shareholding of existing Shareholders. Normally an option holder's decision to exercise an option is determined by the market price of the Shares during the Option period. At the time an Option is exercised, the Shares may be valued at a higher price than the exercise price of the Option.

If the 3,000,000 Options to be granted under Resolutions 4, 5 and 6 were all exercised, the effect would be to dilute the shareholding of the existing Shareholders by 1.50% based on the total number of Shares on issue at the date of this Notice; being 199,613,638.

(g) *Trading history*

The following table gives details of the highest, lowest and the latest closing price of the Shares trading on the ASX over the last 12 months, before the date of preparing this Notice of Annual General Meeting:

	Closing Price	Date
Highest Price	13.5 cents	27 October 2010
Lowest Price	7.3 cents	6 June 2011
Latest Price	9.5 cents	24 October 2011

(h) *Valuation of Options*

The Options to be issued to Messrs Richardson, Norman and Campbell pursuant to Resolution 4, 5 and 6 have been valued by internal management (who, it is considered, have sufficient qualifications, expertise and experience to conduct such a valuation) based on a valuation methodology using the Black & Scholes Option Pricing Model, which is the most widely used and recognised model for pricing options. The acceptance of this model is due to its derivation being grounded in economic theory. The value of an option calculated by the Black & Scholes Model is a function of a number of variables. The assessment of the estimated value of the Options has been prepared applying the following assumptions:

Input	
Grant date	5 October 2011
Expiry date	5 October 2013
Spot price on grant date	9.5 cents
Exercise price	14 cents
Risk free rate	3.46%
Volatility (based on 2 year historical volatility)	94%
Value per Option	3.8 cents
Number of Options	1,000,000
Total value per issue for each Director	\$38,000
Total value of all Options under Resolution 4, 5 and 6	\$114,000

The value of the 1,000,000 Options issue to each of Messrs Richardson, Norman and Campbell is \$38,000, with a total value for all 3,000,000 Options of \$114,000.

(i) *Other information*

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolution.

5.3 ASX Listing Rule 10.11

As Directors, Messrs Richardson, Norman and Campbell are Related Parties of the Company.

Accordingly, in order to grant the Options to them or their nominee, the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.11.

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

5.4 Specific information required by ASX Listing Rule 10.13

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders:

- (a) The Options will be granted to Messrs Richardson (Executive Chairman), Norman (Executive Director) and Campbell (Non-Executive Director), or their nominees.
- (b) The maximum number of Options to be granted to each Director is 1,000,000 (combined total for all three Directors of 3,000,000).
- (c) The Options will be granted no later than one month after the date of this 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.
- (d) The Options are being issued to Messrs Richardson, Norman and Campbell to give them an incentive to provide dedicated and ongoing commitment and effort to the Company, and no funds will be raised from the issue. The terms of the Options are set out in Annexure A.
- (e) A voting exclusion statement is included in the Notice.

The Company acknowledges the issue of Options to Mr Campbell as a Non-Executive Director is contrary to recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the issue of the Options to be reasonable in the circumstances given the Company's size and stage of development, the incentive it will provide and the necessity to attract and retain the highest calibre of professionals to the role of non-executive Director, and its limited cash reserves.

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6. RESOLUTION 7 – APPROVAL FOR THE PROPOSED PLACEMENT OF UP TO 60,000,000 SHARES

6.1 General

Resolution 7 seeks Shareholder approval for the purpose of ASX Listing Rule 7.1 and for all other purposes to authorise the Directors to issue or cause the issue of up to 60,000,000 Shares at an issue price of not less than 80% of the average market price (as defined in the ASX Listing Rules) for the Company's Shares calculated over the last 5 days on which sales of such Shares were recorded before the day on which the issue is made.

The Directors are of the view that the Company should actively seek out opportunities for acquisition of synergistic businesses and wish to be in a position, in a fast moving marketplace, to fund appropriate acquisitions (including by way of issue of shares in the Company in consideration of such acquisitions).

6.2 Listing Rule 7.1

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12 month period which amounts to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Equity securities issued with the approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1.

The Company therefore seeks approval, pursuant to Listing Rule 7.1, to issue up to 60,000,000 Shares.

6.3 Information required by ASX Listing Rule 7.3

The following information is provided in accordance with Listing Rule 7.3 to allow Shareholders to assess the issue and allotment of the Shares under Resolution 7:-

- (a) The maximum number of Shares to be issued is 60,000,000 Shares.
- (b) The Shares will be issued within three months of the date of this Annual General Meeting or such longer period as permitted by ASX.
- (c) The issue price for the Shares will be not less than 80% of the average market price (as defined in the ASX Listing Rules) for the Company's Shares calculated over the last 5 days on which sales of such Shares were recorded on ASX, before the day on which the issue is made.
- (d) The names of the allottees of the Shares are not known at this time. The Shares will be issued to sophisticated or professional or overseas investors or other subscribers to whom the shares can be issued without a disclosure document. No Related Parties will be allottees.
- (e) The Shares will be issued on the same terms as the existing issued Shares in the Company and application will be made for their quotation on ASX.
- (f) The capital raised will primarily be used to fund business or corporate acquisitions by the Company and/or to satisfy the consideration for business or corporate acquisitions by the Company. Funds raised will also be used to strengthen the Company's working capital position.
- (g) The Company anticipates allotting these Shares progressively throughout the three month period referred to in paragraph (b) above.

6.4 Directors' recommendation

To enable the Company to fund the expenses referred to above, all the Directors are of the view that the proposed placement under Resolution 7 is in the best interests of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 7.

ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 9463 2463 if they have any queries in respect of the matters set out in these documents.

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Glossary

\$ means Australian dollars.

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

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

Closely Related Party has the meaning given to it in section 9 of the Corporations Act

Company means Solco Limited (ACN 084 656 691).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current Directors of the Company.

Options means the proposed issue of 1,000,000 unlisted options to each of the three Company Directors, exercisable at 14 cents per options and with an expiry date of 2 years after grant date.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of Annual General Meeting including the explanatory statement.

Proposed Placement means the proposed placement of up to 60,000,000 Shares at an issue price not less than 80% of the average market price (as defined in the ASX Listing Rules) for the Company's Shares calculated over the last 5 days on which sales of such Shares were recorded on ASX, before the day on which the issue is made.

Related Party has the meaning set out in section 228 of the Corporations Act and includes a Director of the Company, his or her spouse, and a person who was a Director of the Company at any time within the previous 6 months.

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

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

Shareholder means a holder of a Share.

APPENDIX A
TERMS AND CONDITIONS OF OPTIONS TO BE ISSUED TO DIRECTORS

1. Nil Consideration Payable

No subscription or application monies will be payable for the issue of each option.

2. Entitlement

The Option Holder shall be issued with 1,000,000 options ("Options"). Each Option shall entitle the Option Holder (or a transferee under clause 9) to subscribe (in cash) for one (1) fully paid ordinary share ("Share") in the capital of Solco Ltd ACN 084 656 691 ("the Company").

All Options will have an exercise price of 14 cents per Option ("Exercise Price").

3. Quotation

The Options will not be quoted on the Australia Securities Exchange ("ASX").

4. Option Period

Each Option will expire at 5:00pm WST on the 30 November 2013 ("Option Expiry Date"). Subject to clauses 5, 6 and 10 hereof, each Option may be exercised by the Option Holder at any time prior to the Option Expiry Date and any Option not so exercised shall automatically expire.

5. Non-Exercise Periods

Options may only be exercised after they have vested. Subject to clause 6.2.3 and 6.2.4, 50% of the Options (500,000 Options) will vest on the grant date with the remaining balance vesting 12 months after the grant date. ("Vested Options").

6. Lapsing of Options Prior to Option Expiry Date

Options will automatically lapse prior to the Option Expiry Date in the following circumstances:-

6.1 With respect to Vested Options:

6.1.1 immediately upon determination by the board of directors of the Company ("the Board") that the Option Holder has acted fraudulently, dishonestly or in breach of his obligations to the Company or its subsidiaries;

6.1.2 Subject to clause 6.1.1, one (1) month after the Option Holder ceases to be an employee of the Company or its subsidiaries (for any reason including by resignation, retrenchment, redundancy, termination or retirement) unless a longer period is otherwise determined by the Board; or

6.1.3 Subject to clauses 6.1.1 and 6.1.2, three (3) months after the death, permanent illness or permanent physical or mental incapacity of the Option Holder (unless a longer period is otherwise determined by the Board).

6.2 Where Options have not vested in accordance with clause 5:

6.2.1 immediately upon determination by the Board that the Option Holder has acted fraudulently, dishonestly or in breach of his obligations to the Company or its subsidiaries;

6.2.2 immediately upon the Option Holder ceasing to be an employee of the Company or its subsidiaries by virtue of:

6.2.2.1 their self initiated resignation or retirement; or

6.2.2.2 their employment being terminated by the Company as a consequence of a breach or default in the performance by them of their duties; or

6.2.3 subject to clause 6.2.1 and 6.2.2, one (1) month after the Option Holder ceases to be an employee of the Company or its subsidiaries by reason of their retrenchment, redundancy or termination by the Company other than as a consequence of a breach or default in the performance by the Option Holder of their duties, and in which case the Options will have deemed to have vested at the date of such cessation of employment.

6.2.4 subject to clause 6.2.1, 6.2.2 and 6.2.3, three (3) months after the death, permanent illness or permanent physical or mental incapacity of the Option Holder, and in which case the Options will have deemed to have vested at the date of such death, permanent illness or permanent physical or mental incapacity.

7. **Ranking of Share Issued on Exercise of Option**

Each Share issued as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all respects equally with all of the existing Shares on issue.

8. **Notification to Option Holders**

The Option Holder will be entitled to receive, and will be sent, all reports, accounts and notices required to be given to the members of the Company but will not be entitled to attend or vote at any meeting of the members of the Company unless he is, in addition to being an Option Holder, a member of the Company.

9. **Dealings in Options**

9.1 Save as provided in clause 9.2, the Option Holder may not sell, transfer, assign, mortgage or otherwise encumber an Option without the prior written consent of the Board (which the Board may give or not give at its discretion) and any such sale, transfer, assignment or mortgage shall be subject to any applicable law and the ASX Listing Rules.

9.2 The Option Holder may at any time transfer all of their Vested Options to:

9.2.1 his spouse;

9.2.2 a company in which the Option Holder or his spouse are shareholders; or

9.2.3 a trustee of a trust in which the Option Holder or his spouse have a beneficial interest,

and such transfer shall be subject to any applicable law and the ASX Listing Rules.

10. **Method of Exercise of an Option**

10.1 A certificate or holding statement will be issued by the Company with respect to the Options ("the Certificate").

10.2 Attached to or endorsed on the reverse side of the Certificate will be a notice that is to be completed by the Option Holder when exercising the Options ("Notice of Exercise of Options").

10.3 Vested Options may be exercised by the Option Holder delivering to the Company personally or sending by registered post to the registered office of the Company:

10.3.1 a completed Notice of Exercise of Options;

10.3.2 payment in full for the Shares being subscribed, being an amount equal to the Exercise Price multiplied by the number of Vested Options being exercised; and

10.3.3 the Certificate.

10.4 The Notice of Exercise of Options must state the number of Vested Options being exercised and the number of Shares to be issued, such number to be a multiple of 1,000, or if the total number of Vested Options held by an Option Holder is less than 1,000, then the total of all Vested Options held by the Option Holder.

10.5 The exercise of less than all of the Option Holder's Vested Options will not prevent the Option Holder from exercising the whole or part of the balance of the Option Holder's Vested Options before the Option Expiry Date in the future.

10.6 If the Option Holder exercises less than all of the Option Holder's Vested Options, the Company must cancel the Certificate and issue to the Option Holder a new certificate or holding statement with respect to the balance of the Option Holder's unexercised Options.

10.7 Within fourteen (14) days from the date the Option Holder exercises the Vested Options, the Company shall issue to the Option Holder the number of Shares subscribed for.

10.8 The Company will (subject to any escrow restrictions imposed by the ASX), within three (3) business days from the date of issue and allotment of Shares pursuant to the exercise of Vested Options, apply to the ASX for, and use its best endeavours to obtain, official quotation of all such Shares, in accordance with the *Corporations Act 2001* and the ASX Listing Rules.

11. Reconstruction

In the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the rights of the Option Holder will be treated in the manner set out in the ASX Listing Rules applicable to reconstructions at the time of the reconstruction.

12. Participation in the New Share Issues

12.1 There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its members from time to time unless and until the Options are exercised.

12.2 The Company will ensure that prior to the Option Expiry Date, the record date for the purposes of determining entitlements to any new issues of capital will be at least nine (9) business days after such new issues are announced in order to afford the Option Holder an opportunity to exercise any Vested Options then held by the Option Holder.

13. Change of Options Exercise Price or Number of Underlying Shares

13.1 If the Company makes a pro rata issue (except a bonus issue) to its members, the exercise price of each Option shall be adjusted in accordance with the provisions of the ASX Listing Rules.

13.2 If the Company makes a bonus issue of Shares or other securities convertible into Shares pro rata to members, the number of Shares issued on the exercise of each Option will include the number of bonus Shares that the Option Holder would have been issued with if the Option had been exercised by the Option Holder prior to the books' closing date for bonus Shares. No change will be made in such circumstances to the Exercise Price.

14. Takeover

Notwithstanding clause 5, all Options may be exercised if a takeover bid (as defined in the Corporations Act 2001) is made for the Shares.

15. ASX Listing Rules

The rights of the Option Holder may be changed from time to time to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

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SOLCO LIMITED (ACN 084 656 691)

PROXY FORM

The Company Secretary
Solco Offices,
12 Brennan Way,
Belmont WA 6104

Ph (+61 8) 9334 8100
Fax (+61 8) 9334 8199

I/We _____
of _____

being a member(s) of Solco Limited and entitled to attend and vote at the Annual General Meeting, hereby:

appoint the Chairman of the Meeting as my/our proxy

or

appoint _____ as my/our proxy.

or failing the person/body corporate so named or, if no person/body corporate is named, the Chair of the Annual General Meeting, as my/our proxy and to vote in accordance with the voting directions below, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting of the Company to be held at 2.00 pm am, on 30 November 2011 at UWA Club, University of Western Australia, M800, 35 Stirling Highway, Crawley, Western Australia (and at any adjournment thereof).

Important for Resolution 1:

Any undirected proxy held by the Chair or a member of the Key Management Personnel or any of their Closely Related Parties will not be voted on Resolution 1. If you appoint the Chair or a member of the Key Management Personnel or any of their Closely Related Parties as your proxy, you must direct him or her how to vote on Resolution 1 if you want your shares to be voted on that item of business.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business.

The Chair of the Meeting intends to vote all undirected proxies, which the Chairman is entitled to vote, in favour of each item of business.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box to the right.

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution(s) and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on this resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

Voting on Business of the Annual General Meeting

Please indicate your voting intentions by placing an X in the appropriate box.

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Mr David Richardson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-election of Mr Mark Norman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Issue of Options to Mr David Richardson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Issue of Options to Mr Mark Norman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Issue of Options to Mr Ian Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Approval for the Proposed Placement of up to 60,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the "Abstain" box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote(s) will not 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 _____ 2011.

By:

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Sole Director &
Sole Company Secretary

Director/
Company Secretary

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1. Instructions for Completing the Proxy Form

1. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the full name of that individual or body corporate in the space provided. If you leave both the box and this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the Company. A proxy may be an individual or a body corporate.

Under recent changes to the Corporations Act, if your appointment of a proxy specifies the way the proxy is to vote on a particular resolution and your appointed proxy is not the Chairman of the meeting and at the meeting a poll is duly demanded on the question that the resolution be passed, then if either your proxy is not recorded as attending the meeting (if a record of attendance is made) or your proxy does not vote on the resolution, the Chairman is taken, before voting on the resolution closes, to have been appointed as your proxy for the purposes of voting on the resolution at that meeting.

2. Directing Proxy Votes

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction, unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate place. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Under recent changes to the Corporations Act, if you direct your proxy how to vote on a particular resolution, the proxy need not vote on a show of hands but if the proxy does so, the proxy must vote as directed. If the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands. If the proxy is the Chairman, the proxy must vote on a poll, and must vote as directed and if the proxy is not the Chairman, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as directed.

If the Chairman of the Meeting or any other member of the Key Management Personnel of the Company or a Closely Related Party of a member of the Key Management Personnel is your nominated proxy and you have not directed the proxy how to vote on Resolution 1 (Remuneration Report), that person will not cast any votes on Resolution 1.

3. Appointment of a Second Proxy

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 a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. If two (2) proxies are appointed, each proxy must be allocated a proportion of the member's voting rights. If a member appoints two (2) proxies and the appointment does not specify this proportion, each proxy may exercise half (1/2) the votes. A duly appointed proxy need not be a member of the Company.

4. Signing Instruction

Where a member's holding is in one (1) name the holder must sign the Proxy Form. Where the holding is in more than one (1) name, all members must sign the Proxy Form.

Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under a power of attorney, a certified photocopy of the power of attorney must be lodged in like manner as this Proxy Form.

Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

5. Subsequent attendance in person

Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended whilst the member is present at the Annual General Meeting.

6. Lodgement of the Proxy form

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Solco Limited, 12 Brennan Way, Belmont, WA, 6104; or
- (b) facsimile to the Company on facsimile number +61 8 9334 8199

so that it is received not later than 2.00 pm (WST) on 28 November 2011.

Proxy forms received later than this time will be invalid.