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**HADDINGTON RESOURCES LIMITED**  
**ABN 39 093 391 774**  
**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 1.30pm WST

**DATE:** Friday 23 November 2007

**PLACE:** City West Function Centre  
City West Centre  
45 Plaistowe Mews  
WEST PERTH WA 6005

**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 9488 5100.**

**NOTICE OF ANNUAL GENERAL MEETING  
HADDINGTON RESOURCES LIMITED**

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

The Annual General Meeting of the Shareholders of Haddington Resources Limited which this Notice of Meeting relates to will be held at 1.30 pm (WST) on Friday 23 November 2007 at:

City West Function Centre  
City West Centre  
45 Plaistowe Mews  
WEST PERTH WA 6005

**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 proxy form enclosed and either:

(a) send the proxy form by post to Haddington Resources Limited,  
PO Box 1909, West Perth WA 6872; or

(b) send the proxy form by facsimile to the Company on facsimile number + 61 8 9226 1551,

so that it is received not later than 1.30 pm WST Wednesday 21 November 2007.

**Proxy forms received later than this time will be invalid.**

## **NOTICE OF ANNUAL GENERAL MEETING HADDINGTON RESOURCES LIMITED**

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Notice is hereby given that the Annual General Meeting of Haddington Resources Limited ("**Company**") will be held at City West Function Centre, City West Centre, 45 Plaistowe Mews, West Perth, Western Australia on Friday 23 November 2007 commencing at 1.30 pm WST for the purpose of transacting the following business.

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 at 5:00pm WST on 21 November 2007.

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

### **AGENDA**

#### **Reports and Accounts**

To receive the financial report of the Company for the year ended 30 June 2007, together with the Directors' report and the Auditor's report.

#### **Resolution 1 – Adoption of Remuneration Report (Non-binding)**

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

*"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as set out in the Directors' Report in the Annual Report for the year ended 30 June 2007".*

**Short Explanation:** The Corporations Act provides that a resolution that the Directors' remuneration be adopted must be put to vote at a listed Company's annual general meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

#### **Resolution 2 – Re-election of Ms Clair Medhurst as a Director**

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

*"That, Ms Clair Medhurst, being a Director, retires in accordance with the Constitution and, being eligible, is hereby re-elected as a Director."*

**Short Explanation:** Pursuant to clause 13.2 of the Company's constitution, one third of the Company's Directors must retire at each Annual General Meeting. A Director who retires in accordance with clause 13.2 of the Constitution is eligible for re-election.

**Resolution 3 - Election Of Mr John Caldon as a Director**

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

*"That Mr John Caldon having been appointed as a Director of the Company by the Board since the previous meeting, be elected a Director of the Company."*

**Short Explanation:** Pursuant to the Company's Constitution, a Director appointed by the board must stand for election at the first Annual General Meeting of the Company since the date of appointment.

**Resolution 4 - Election Of Mr David Mason as Director**

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

*"That, Mr David Mason, having been appointed as a Director of the Company by the Board since the previous meeting, be elected a Director of the Company."*

**Short Explanation:** Pursuant to the Company's Constitution, a Director appointed by the Board must stand for election at the first Annual General Meeting of the Company since the date of appointment.

**Resolution 5 – Issue of Options to a related party – Mr John Caldon**

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

*"That, subject to Resolution 3 being passed, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue up to 650,000 Options to Mr John Caldon (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 5 by John Caldon (or his nominee) and an associate of John Caldon (or his nominee). However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

**Resolution 6 – Issue of Options to a related party – Mr Colin McCavana**

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

*"That, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue up to 500,000 Options to Mr Colin McCavana (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

## NOTICE OF ANNUAL GENERAL MEETING HADDINGTON RESOURCES LIMITED

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**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 6 by Colin McCavana (or his nominee) and an associate of Colin McCavana (or his nominee). However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

### **Resolution 7 – Issue of Options to a related party – Ms Clair Medhurst**

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

*“That, subject to Resolution 2 being passed, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue up to 500,000 Options to Ms Clair Medhurst (or her nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 7 by Clair Medhurst (or her nominee) and an associate of Clair Medhurst (or her nominee). However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

### **Resolution 8 – Issue of Options to a related party – Mr James Pearson**

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

*“That, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue up to 500,000 Options to Mr James Pearson (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 8 by James Pearson (or his nominee) and an associate of James Pearson (or his nominee). However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

**NOTICE OF ANNUAL GENERAL MEETING  
HADDINGTON RESOURCES LIMITED**

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**Resolution 9 – Issue of Options to a related party – Mr Dennis O’Neill**

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

*“That, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue up to 500,000 Options to Mr Dennis O’Neill (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 9 by Dennis O’Neill (or his nominee) and an associate of Denis O’Neill (or his nominee). However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

**Resolution 10 – Issue of Options to a related party – Mr David Mason**

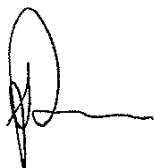
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to Resolution 4 being passed, for the purposes of Listing Rule 10.11 of the ASX Listing Rules, Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue up to 500,000 Options to Mr David Mason (or his nominee) on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”*

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 10 by David Mason (or his nominee) and an associate of David Mason (or his nominee). However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

By order of the Board



**STEPHEN BROWN**  
**Company Secretary**  
23 October 2007

**EXPLANATORY STATEMENT  
HADDINGTON RESOURCES LIMITED**

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**EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of shareholders of Haddington Resources Limited ("**Company**") in connection with the business to be conducted at the Annual General Meeting to be held at City West Function Centre, City West Centre, 45 Plaistowe Mews, West Perth, Western Australia on Friday 23 November 2007 commencing at 1.30 pm.

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. RESOLUTION 1 – DIRECTORS' REMUNERATION (NON-BINDING RESOLUTION)**

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Directors' Remuneration as set out in the Directors' Report be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

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

**2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR**

Clause 13.2 of the Constitution provides one third of all the Directors shall retire from office at each annual general meeting of the Company. A retiring Director is eligible for re-election.

In accordance with the Constitution, Ms Medhurst retires and seeks re-election.

Details regarding Ms Clair Medhurst are set out in the 2007 Annual Report.

**3. RESOLUTION 3 – ELECTION OF DIRECTOR**

Mr John Caldon was appointed as Non-Executive Chairman by a resolution of Directors, effective 2 October 2007.

In accordance with the Constitution, Mr Caldon must stand for election at the AGM.

Mr Caldon is a qualified chartered accountant with 39 years experience in the finance industry. He was partner with Price Waterhouse from 1979 to 1984 and then began working with Macquarie Bank, until he retired in 1998.

While at Macquarie Bank, Mr Caldon held the positions of Deputy Managing Director and Head of Corporate Finance. During this time, he established the Macquarie Infrastructure Group, where he was founding Managing Director and Chairman. He is currently chairman of his own consulting practice, EMC Consulting Pty Ltd and an active investor in a range of projects.

## **EXPLANATORY STATEMENT HADDINGTON RESOURCES LIMITED**

### **4. RESOLUTION 4 – ELECTION OF DIRECTOR**

The recently completed Transaction Agreement for the acquisition of Minvest International Corporation provided for the appointment of David Mason as a director of Haddington, and an independent Non-Executive Director. The Board anticipate that the appointment of Mr Mason will be completed prior to the Annual General Meeting. In accordance with the Constitution, the appointment of Mr Mason as a Director must be approved by shareholders at the AGM.

Mr Mason has 29 years experience in the minerals industry, with a focus on coal and involvement in discoveries at Wandoan and Taroom areas (South East Qld), Te Kuha (West Coast NZ), Multi Harapan Utama and Mahakam River areas (East Kalimantan Indonesia), Adaro (South Kalimantan Indonesia) and Sebuku (South Kalimantan Indonesia).

Mr Mason, who is now a substantial shareholder of Haddington, was Managing Director of Minvest International Corporation prior to its acquisition by Haddington. Mr Mason has a Bachelor of Science (Honours Geology) and Post Graduate Diploma in Business Administration from the University of Queensland and a Master of Business Administration from the University of Southern Queensland. He is a Member of the Geological Society of Australia and a Fellow of the Australian Institute of Mining and Metallurgy.

Mr Mason will continue to be responsible for the day to day operational activities of the Minvest services businesses and will be responsible for exploration and development of the Company's coal areas in Indonesia and Madagascar.

### **5. RESOLUTIONS 5, 6, 7, 8, 9 & 10 – ISSUE OF OPTIONS TO RELATED PARTIES – JOHN CALDON, COLIN MCCAVALANA, CLAIR MEDHURST, JAMES PEARSON, DENNIS O'NEILL AND DAVID MASON.**

Resolution 5, 6, 7, 8, 9, and 10 seek Shareholder approval to grant and issue of a total of up to 3,150,000 Options to Messrs John Caldon, Colin McCavana, James Pearson, Dennis O'Neill and David Mason and Ms Clair Medhurst (and /or their respective nominees) on the terms and conditions set out in Annexure A to the Explanatory Statement. 1,575,000 of the Options (Tranche 1 Options) will have an exercise price of \$0.40 with an expiry date of 30 November 2010, and the remaining 1,575,000 Options (Tranche 2 Options) will have an exercise price of \$0.60 with an expiry date of 30 November 2010.

The grant of the Options is designed to incentivise the recipients and align the Board and management in the setting and achievement of the Company's objectives, participating in the future growth and prosperity of the Company through share ownership.

Under the Company's current circumstances, the Directors consider that the incentives to the Directors noted above, represented by the issue of Options, are a cost effective and efficient reward and incentive as opposed to alternative forms of incentive, such as the payment of cash compensation to Directors. John Caldon, Clair Medhurst, James Pearson and Dennis O'Neill are Non-Executive Directors of the Company. The Company acknowledges the issue of Options to Non-Executive Directors is contrary to recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Directors are of the view that at this stage of the Company's development it is far better for Directors of the Company to be compensated by way of securities in the Company, rather than by way of additional cash.

The Directors have determined the exercise price in light of the recent price of Shares in the Company. In this regard, in the last month before the date of lodgment of this notice with ASIC, the highest price of Shares was \$0.36 on 11 October 2007 and the lowest price was \$0.215 on 18 October 2007. The latest closing price prior to lodgment of this notice with ASIC was \$0.315 on 17 October 2007.

## **EXPLANATORY STATEMENT HADDINGTON RESOURCES LIMITED**

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

### **ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including an option) to a related party of the Company. As the Directors are each a related party of the Company, shareholder approval under the Listing Rules is required.

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

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 5 to 10:

- (a) The Options will be granted to the Directors as noted above, or their respective nominees;
- (b) the maximum number of Options to be issued by the Company pursuant to resolutions 5 to 10 is 3,150,000, as further detailed in this Explanatory Statement;
- (c) the Options will be issued not later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that allotment will occur on one date;
- (d) the Options will be issued for no consideration;
- (e) no funds will be raised from the issue of the Options; and
- (f) the Options will be issued on the terms and conditions set out in Annexure "A".

### **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.

For the purposes of Chapter 2E, each of the Directors is considered to be a related party of the Company.

Resolutions 5 to 10 provide for the grant of options to Directors of the Company, which is a financial benefit for the purposes of Chapter 2E of the Corporations Act, and, therefore, requires prior shareholder approval.

**EXPLANATORY STATEMENT  
HADDINGTON RESOURCES LIMITED**

**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 Directors of the Company:

- (a) If Resolutions 5 to 10 are passed by shareholders, it will permit the giving of a financial benefit to the following Directors (or their nominees). The number of Options to be issued to each director has been determined by the Company's Remuneration Committee:

	<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
<i>Tranche 1</i>			
John Caldon	325,000	\$0.40	30/11/10
Colin McCavana	250,000	\$0.40	30/11/10
Clair Medhurst	250,000	\$0.40	30/11/10
James Pearson	250,000	\$0.40	30/11/10
Dennis O'Neill	250,000	\$0.40	30/11/10
David Mason	250,000	\$0.40	30/11/10
<i>Tranche 2</i>			
John Caldon	325,000	\$0.60	30/11/10
Colin McCavana	250,000	\$0.60	30/11/10
Clair Medhurst	250,000	\$0.60	30/11/10
James Pearson	250,000	\$0.60	30/11/10
Dennis O'Neill	250,000	\$0.60	30/11/10
David Mason	250,000	\$0.60	30/11/10
<b>Total</b>	<u>3,150,000</u>		

- (b) The nature of the financial benefit proposed to be given is the grant of Options in the Company for no consideration on the terms and conditions set out in Annexure A to this Explanatory Statement. The purpose of the issue is to give each of the Directors an incentive to provide dedicated and ongoing commitment to the Company. The Directors consider the issue of the Options is appropriate having regard to the skills, ability and contribution of the Directors (both now and in the future) to the Company.
- (c) In respect of Resolution 5, all Directors recommend that shareholders vote in favour of Resolution 5, save for John Caldon who has an interest in the outcome of Resolution 5 and declines to make a recommendation in respect of it.
- (d) In respect of Resolution 6, all Directors recommend that shareholders vote in favour of Resolution 6, save for Colin McCavana who has an interest in the outcome of Resolution 6 and declines to make a recommendation in respect of it.
- (e) In respect of Resolution 7, all Directors recommend that shareholders vote in favour of Resolution 7, save for Clair Medhurst who has an interest in the outcome of Resolution 7 and declines to make a recommendation in respect of it.
- (f) In respect of Resolution 8, all Directors recommend that shareholders vote in favour of Resolution 8, save for James Pearson who has an interest in the outcome of Resolution 8 and declines to make a recommendation in respect of it.

**EXPLANATORY STATEMENT  
HADDINGTON RESOURCES LIMITED**

- (g) In respect of Resolution 9, all Directors recommend that shareholders vote in favour of Resolution 9, save for Dennis O'Neill who has an interest in the outcome of Resolution 9 and declines to make a recommendation in respect of it.
- (h) In respect of Resolution 10, all Directors recommend that shareholders vote in favour of Resolution 10, save for David Mason who has an interest in the outcome of Resolution 10 and declines to make a recommendation in respect of it.
- (i) As at the date of this Notice, the Directors hold the following relevant interests in the securities in the Company representing 24.2% of the current issued capital of the Company on a fully diluted basis:

	<b>Ordinary Shares</b>	<b>Listed Options</b>	<b>Unlisted 31/12/07 \$0.20 options</b>	<b>Unlisted 31/12/09 \$0.20 options</b>	<b>Total Shares &amp; Options</b>
John Caldon	14,698,059	4,197,446	-	-	18,895,505
Colin McCavana	2,634,441	748,841	500,000	-	3,883,282
Clair Medhurst	936,950	267,700	-	-	1,204,650
James Pearson	1,225,000	350,000	-	-	1,575,000
Dennis O'Neill	575,200	175,200	-	300,000	1,050,400
David Mason	10,996,183	-	-	-	10,996,183
<b>Total</b>	<b>31,065,833</b>	<b>5,739,187</b>	<b>500,000</b>	<b>300,000</b>	<b>37,605,020</b>

- (j) If Shareholders approve of all Resolutions contained in this Notice, the Directors will hold the following relevant interests in the securities in the Company representing 25.7% of the issued capital of the Company on a fully diluted basis:

	<b>Ordinary Shares</b>	<b>Listed Options</b>	<b>Unlisted 31/12/07 \$0.20 options</b>	<b>Unlisted 31/12/09 \$0.20 options</b>	<b>Unlisted 30/11/10 \$0.40 options</b>	<b>Unlisted 30/11/10 \$0.60 options</b>	<b>Total Shares &amp; Options</b>
John Caldon	14,698,059	4,197,446	-	-	325,000	325,000	19,545,505
Colin McCavana	2,634,441	748,841	500,000	-	250,000	250,000	4,383,282
Clair Medhurst	936,950	267,700	-	-	250,000	250,000	1,704,650
James Pearson	1,225,000	350,000	-	-	250,000	250,000	2,075,000
Dennis O'Neill	575,200	175,200	-	300,000	250,000	250,000	1,550,400
David Mason	10,996,183	-	-	-	250,000	250,000	11,496,183
<b>Total</b>	<b>31,065,833</b>	<b>5,739,187</b>	<b>500,000</b>	<b>300,000</b>	<b>1,575,000</b>	<b>1,575,000</b>	<b>40,755,020</b>

**EXPLANATORY STATEMENT  
HADDINGTON RESOURCES LIMITED**

- (k) If Shareholders approve all Resolutions contained in this Notice, the capital structure of the Company would be as follows with relevant interests in securities held by Directors representing 25.7% of the issued capital of the Company on a fully diluted basis:

	<b>Total</b>	<b>Held By Directors</b>	<b>% Held by Directors</b>
<b>Shares currently on issue</b>	125,766,517	31,065,883	24.7%
<b>Options currently on issue</b>			
Exercise price \$0.35 expiring 31/10/10	22,856,194	5,739,187	25.1%
Exercise price \$0.30 expiring 26/08/08	500,000	-	-
Exercise price \$0.40 expiring 26/08/08	500,000	-	-
Exercise price \$0.40 expiring 31/12/08	450,000	-	-
Exercise price \$0.20 expiring 28/02/10	625,000	-	-
Exercise price \$0.35 expiring 30/06/10	725,000	-	-
<b>Total share and options currently on issue</b>	<b>152,222,711</b>	<b>36,805,070</b>	<b>24.2%</b>
Proposed options under resolutions 5 to 10	3,150,000	3,150,000	100.0%
<b>Total shares and options (fully diluted)</b>	<b>155,372,711</b>	<b>39,955,070</b>	<b>25.7%</b>

If all of the Options granted to Directors as proposed by Resolutions placed before this meeting are exercised, the effect would be to dilute the shareholding of existing shareholders by 2.4% based on the number of shares on issue as at the date of the notice, assuming no other existing options are exercised. If all other shareholders options are also exercised, the effect would be to dilute the shareholding of other shareholders by 19.0%.

- (l) During the last 12 months before the date of lodgment of this Notice with ASIC, the highest trading price of the Company's shares on the ASX was \$0.50 on 25 June 2007 and the lowest trading price of the Shares was \$0.105 on 31 October 2006. The volume weighted average price of the Company's shares on the ASX over the 5 days before the date of lodgment of this Notice with ASIC was \$0.323. On 17 October 2007, the last trading day before this Notice was lodged with ASIC, the Shares closed at a price of \$0.315 per share.
- (m) The Directors' base salary or directors' fees per annum (including superannuation) and the total financial benefit to be received by them as a result of the grant of Options the subject to Resolutions 5 to 10 are as follows:

	<b>Total salary/fees* p.a.</b>	<b>Value of Options (refer below)</b>	<b>Total Financial Benefit</b>
John Caldon	\$65,400	\$110,111	\$175,511
Colin McCavana	\$345,627	\$84,700	\$430,327
Clair Medhurst	\$39,240	\$84,700	\$123,940
James Pearson	\$39,240	\$84,700	\$123,940
Dennis O'Neill	\$39,240	\$84,700	\$123,940
David Mason	\$314,300	\$84,700	\$399,000
<b>Total</b>	<b>\$843,047</b>	<b>\$533,611</b>	<b>\$1,376,658</b>

(\* inclusive of superannuation contributions)

## EXPLANATORY STATEMENT HADDINGTON RESOURCES LIMITED

Under Australian Accounting Standards, the Company is required to recognise the value of options as an expense on a pro-rata basis over the vesting period in the income statement with a corresponding adjustment to equity.

- (n) The Directors do not consider that there are any opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options under Resolutions 5 to 10.
- (o) Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by the proposed resolutions.

### Details Concerning Value of Options

The Options are not to be quoted on ASX and are not transferable and as such have no actual market value. The Options are capable of being converted to shares in the Company by the payment of the exercise price \$0.40 per Tranche 1 Option and \$0.60 Tranche 2 Option and accordingly have a value at the date of grant. If the Company's shares are trading at a higher price than the exercise price at the time of exercise, the effect will be to give an immediate financial benefit to the Director who has exercised their Options.

The value of the Options using the Black and Scholes option pricing model is 18.55 cents per Tranche 1 Option and 15.33 cents per Tranche Option 2. The material assumptions used in valuing the Options were:

- (a) share price of 34 cents per share;
- (b) option exercise price of 40 cents for Tranche Option 1 and 60 cents for Tranche Option 2;
- (c) risk free interest of 6.57%; and
- (d) volatility factor of 84.52%.

Accordingly, the value of Options to be issued to each director is as follows:

	<b>Tranche 1 Options</b>	<b>Tranche 2 Options</b>	<b>Total</b>
John Caldon	\$60,288	\$49,823	\$110,111
Colin McCavana	\$46,375	\$38,325	\$84,700
Clair Medhurst	\$46,375	\$38,325	\$84,700
James Pearson	\$46,375	\$38,325	\$84,700
Dennis O'Neill	\$46,375	\$38,325	\$84,700
David Mason	\$46,375	\$38,325	\$84,700
	<u>\$292,163</u>	<u>\$241,448</u>	<u>\$533,611</u>

**EXPLANATORY STATEMENT  
HADDINGTON RESOURCES LIMITED**

**Questions and Comments by Shareholders at the Meeting**

In accordance with the Corporations Act, a reasonable opportunity will be given to shareholders – as a whole – to ask questions or make comments on the management of Haddington at the meeting.

Similarly, a reasonable opportunity will be given to shareholders – as a whole – to ask questions to Haddington's external auditor WHK Horwath, relevant to:

- (a) the content of the auditor's report;
- (b) the conduct of the audit of the annual financial report;
- (c) the accounting policies adopted by Haddington in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to WHK Horwath if the question is relevant to the content of WHK Horwath's audit report or the conduct of its audit of Haddington's financial report for the year ended 30 June 2007.

Relevant written questions for WHK Horwath must be received no later than 5.00pm (WST) on Friday, 16 November 2007. A list of those relevant questions will be made available to Shareholders attending the meeting. WHK Horwath will either answer questions at the meeting or table written answers to them at the meeting. If written answers are tabled at the meeting, they will be announced on ASX no later than the start of the meeting.

Please send any written questions for WHK Horwath:

- (a) by post to Haddington Resources Limited, PO Box 1909, West Perth WA 6872; or
- (b) by facsimile to the Company on facsimile number + 61 8 9226 1551.

DATED this 23<sup>rd</sup> day of October 2007

**BY ORDER OF THE BOARD**

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**EXPLANATORY STATEMENT  
HADDINGTON RESOURCES LIMITED**

**GLOSSARY OF TERMS**

In this Explanatory Statement and accompanying Notice of Meeting the following words and expressions have the following meanings:

"**ASIC**" ~ Australian Securities & Investments Commission;

"**ASX**" ~ ASX Limited;

"**Board**" means the board of Directors of the Company;

"**Company**" or "**Haddington**" ~ Haddington Resources Limited (ACN 093 391 774);

"**Corporations Act**" ~ Corporations Act 2001 (Cth);

"**Explanatory Statement**" ~ the information attached to the Notice of Meeting which provides information to shareholders about the resolutions contained in the Notice of Meeting;

"**Notice of Meeting**" ~ the notice of meeting which accompanies this Explanatory Memorandum;

"**options**" ~ options to acquire Shares;

"**Shares**" ~ ordinary fully paid shares in the Company;

"**\$**" ~ Australian dollars; and

"**WST**" means Australian Western Standard Time.

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**ANNEXURE A**

**1. Entitlement**

Each Option entitles the Optionholder to subscribe for one Share upon exercise of each Option.

**2. Exercise Price**

The Option exercise price is \$0.40 per Option for Tranche 1 and \$0.60 per Option for Tranche 2.

**3. Exercise Period**

Options are exercisable on or before 5pm WST on 30 November 2010 ("**Expiry Date**").

**4. Resignation**

If there is a voluntary resignation (not arising out of the employee's death, permanent illness or permanent physical or mental incapacity, or that of an employee's immediate family member, as certified by a medical practitioner), Options may be exercised within 12 months of the resignation date, after which time any unexercised Options will expire. Resignation arising out of the employee's death, permanent illness or permanent physical or mental incapacity or that of an employee's immediate family member as certified by a medical practitioner will not affect Options and the Options will be capable of exercise in the usual way by the employee or their legal representatives.

**5. Notice of Exercise**

The Options may be exercised by notice in writing to Haddington and payment of the Exercise Price for each Option being exercised. The date of any purported notice of exercise of an Option will be deemed to be the date it is received by Haddington.

**6. Allotment of Shares**

Shares allotted and issued pursuant to the exercise of an Option will be allotted and issued not more than 10 Business Days after receipt of a properly executed notice of exercise of the Option and payment of the requisite application monies.

**7. Share to Rank Equally**

Shares issued upon exercise of the Options will rank equally in all respects with Haddington's then existing Shares.

**8. Part Exercise of Options**

The Option may be exercised in whole or in part and if exercised in part, multiples of 10,000 must be exercised on each occasion except where the number of options held is less than 10,000 in which case all such options must be exercised at the same time.

**EXPLANATORY STATEMENT  
HADDINGTON RESOURCES LIMITED**

**9. No Participating Rights**

There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered or made to Haddington shareholders during the currency of Options. However, Haddington will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 Business Days after the issue is announced. This will give the Optionholders the opportunity to exercise its Options prior to the date for determining entitlements to participate in such issue.

**10. Change of Rights**

In the event of any new or bonus issues, there are no rights to a change in exercise price, or a change in the number of underlying securities over which the Options can be exercised. In the event of any reorganisation of the issued capital Haddington on or prior to the Expiry Date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the reorganisation.

**11. Notice of Expiry**

Haddington will, at least 20 Business Days before the expiry date of the Options, send notices to Optionholder stating the name of the Optionholder, the number of Options held and the number of securities to be issued on exercise of the Options, the exercise price, the due date for payment and the consequences of non-payment.

**12. Right to Participate in Dividends**

The Options will not give any right to participate in dividends until share are allotted pursuant to the exercise of the relevant options.

**13. Option not Transferable**

The Options are not transferable.

**14. ASX Listing**

The Options will not be listed on the ASX.

# PROXY FORM

**Haddington Resources Limited**  
ACN 093 391 774

**All correspondence to:**  
Haddington Resources Limited  
PO Box 1909  
West Perth WA 6872  
Enquiries (within Australia) 08 9315 6455  
Phone: 08 9488 5100  
Facsimile: 08 9226 1551

I/We \_\_\_\_\_  
(insert name of holder – please print)

Of \_\_\_\_\_  
(insert address of holder – please print)

## Appointment of Proxy

I/We being member/s of Haddington Resources Limited and entitled to attend and vote hereby appoint

The Chairman  
of the Meeting  
(mark with an 'X')

OR

Write here the name of the person you  
are appointing if this person is **someone  
other than** the Chairman of the Meeting

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Haddington Resources Limited to be held at City West Function Centre, City West Centre, 45 Plaistowe Mews, West Perth, Western Australia on Friday 23 November, 2007 at 1.30 pm and at any adjournment of that meeting.

### IMPORTANT: FOR RESOLUTIONS 1 to 10 BELOW

If the Chairman of the meeting is appointed as, or may be appointed by default as your proxy and you do not wish to direct your proxy how to vote on Items 1 to 10 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of thre resolution and that votes cast by him 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 Chairman of the meeting will not cast your votes on Resolutions 1 to 19 and your votes will not be counted in calculating the required majority if a poll is called on the resolutions. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 1 to 4.

## Voting directions to your proxy - please mark **X** to indicate your directions

### Ordinary business

		For	Against	Abstain*
<b>Resolution 1</b>	Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b>	Re-election of Ms Clair Medhurst as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>	Election of Mr John Caldon as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b>	Election of Mr David Mason as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b>	Issue of Options to Mr John Caldon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b>	Issue of Options to Mr Colin McCavana	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 7</b>	Issue of Options to Ms Clair Medhurst	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 8</b>	Issue of Options to Mr James Pearson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 9</b>	Issue of Options to Mr Dennis O'Neill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 10</b>	Issue of Options to Mr David Mason	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

## PLEASE SIGN HERE

This section **must** be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date \_\_\_\_\_

# How to complete the Proxy Form

## 1. Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

## 2. 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 name of that person. If you leave 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.

## 3. Votes on Items of Business

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 box or boxes. 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.

## 4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

## 5. Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: 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) does not have a Company Secretary, the 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.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting scheduled for 1.30 pm WST on Friday 23 November 2007. Any Proxy Form received after that time (i.e. 1.30pm WST on Wednesday 21 November, 2007) will not be valid for the scheduled meeting.

## Documents may be lodged:

- |           |   |
|-----------|---|
| IN PERSON | Haddington Resources Limited, 7 Havelock Street, West Perth WA 6005       |
| BY MAIL   | Haddington Resources Limited, PO Box 1909, West Perth WA 6872             |
| BY FAX    | Within Australia - (08) 9226 1551<br>Outside Australia - + 61 8 9226 1551 |