



7 Havelock Street
West Perth WA 6005
Australia
PO Box 1909
West Perth WA 6872
Australia
Tel: +61 8 9488 5100
Fax: +61 8 9226 1551
Email: info@haddington.com.au
Web: www.haddington.com.au

HADDINGTON RESOURCES LIMITED

ABN 39 093 391 774

NOTICE OF GENERAL MEETING

TIME: 1.00pm WST

DATE: Wednesday, 25 July 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.

HADDINGTON RESOURCES LIMITED

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Haddington Resources Limited which this Notice of Meeting relates to will be held at 1.00 pm (WST) on Wednesday, 25 July 2007 at:

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

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed 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 1.00 pm WST Monday 23 July 2007.

Proxy forms received later than this time will be invalid.

EXPLANATORY MEMORANDUM HADDINGTON RESOURCES LIMITED

Notice is hereby given that a 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 Wednesday 25 July 2007 commencing at 1.00 pm.

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5pm on 23 July 2007.

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

AGENDA

Resolutions 1A and 1B - Minvest Acquisition

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

Resolution 1A Issue of Shares to Minvest Vendors

"That, subject to, and conditional on, Resolution 1B being passed as an ordinary resolution, for the purposes of Listing Rule 7.1 of the ASX Listing Rules and for all other purposes, shareholders approve the issue of up to 45,589,645 Shares to the Minvest Vendors (or their nominees) as detailed in the Explanatory Memorandum as consideration for the acquisition of Minvest International Corporation."

Voting exclusion

The Company will disregard any votes cast on this resolution by any of the Minvest Vendors or any of their nominees (being persons who may participate in the proposed issue), any associate of any of the Minvest Vendors or any of their nominees and any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 1B – Change of scale of activities

"That, subject to, and conditional on, Resolution 1A being passed as an ordinary resolution, for the purposes of Listing Rule 11.1.2 of the ASX Listing Rules and for all other purposes, shareholders approve the change of scale of the activities of the Company that will result as a consequence of the Minvest Acquisition as detailed in the Explanatory Memorandum."

EXPLANATORY MEMORANDUM HADDINGTON RESOURCES LIMITED

Short Explanation: Haddington has entered into an agreement to acquire all of the issued shares of Minvest, an unlisted diversified services and minerals group with operations in Australia, Indonesia and Madagascar from the Minvest Vendors. ASX Listing Rules require shareholder approval of the transaction.

Voting exclusion

The Company will disregard any votes cast on this resolution by any of the Minvest Vendors any associate of any of the Minvest Vendors and any other person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 - Approval of the Haddington Employee Share Option Plan

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 7.2, Exception 9 of the ASX Listing Rules and for all other purposes, shareholders approve the issue of securities under the Haddington Employee Share Option Plan as an exception to Listing Rule 7.1 of the ASX Listing Rules, a summary of which is included in the Explanatory Memorandum."

Short Explanation: The Haddington Employee Share Option Plan provides a means of recognising the efforts of, and providing incentive to, employees of the Company. The Company seeks shareholder approval of the Plan under ASX Listing Rule 7.2. Exception 9(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme which has been approved by shareholders.

Voting exclusion

The Company will disregard any votes cast on this resolution by any director of the Company and any associate of any director of the Company (except a director who is ineligible to participate in any employee incentive scheme in relation to the Company) and any person associated with any of those persons.

However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3 – Increase Non-Executive Directors Fees

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 10.17 of the ASX Listing Rules and rule 13.8 of the constitution of the Company and for all other purposes, shareholders approve the increase in the aggregate amount of fees payable to non-executive directors of the Company as a whole in each year from \$200,000 to a maximum of \$350,000."

Short Explanation: Shareholder approval is required to increase the maximum amount of non-executive directors' fees to \$350,000 to allow the Company to continue to attract and retain directors of the calibre required to progress and develop the Company's businesses.

Voting exclusion

The Company will disregard any votes cast on this resolution by any director of the Company and any associate of any director of the Company and any person associated with any of those persons.

However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**EXPLANATORY MEMORANDUM
HADDINGTON RESOURCES LIMITED**

By order of the Board

Stephen J Brown
Company Secretary
21st June 2007

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of Haddington Resources Limited ("Company") in connection with the business to be conducted at the General Meeting to be held at City West Function Centre, City West Centre, 45 Plaistowe Mews, West Perth, Western Australia on Wednesday 25 July 2007 commencing at 1.00 pm.

The purpose of this Explanatory Memorandum 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. RESOLUTIONS 1A and 1B – Mininvest Acquisition

Background

Haddington announced on the 17th April 2007 that it had entered into an implementation agreement to purchase all of the issued shares of Mininvest, an unlisted diversified mineral and services group with operations in Australia, Indonesia and Madagascar. The implementation agreement contains the in-principle terms and conditions of the Mininvest Acquisition. It is contemplated that the implementation agreement will be supplemented by a formal transaction agreement.

Under the implementation agreement, Haddington will issue 45,589,645 Shares to the Mininvest Vendors as consideration for all of the issued shares in Mininvest and it is proposed that the Mininvest Vendors will enter into voluntary escrow agreements in respect of the Shares they receive, with half of those shares to be escrowed for a period of 2 years and the other half escrowed for a period of 3 years.

Mininvest controls a range of drilling and service companies in Australia, Indonesia and Madagascar which generated un-audited revenue of \$11.6 million for the 2006 calendar year.

In addition to the service businesses, Haddington will assume the Mininvest portfolio of mineral projects, including two highly prospective coal projects in South Kalimantan, Indonesia, and uranium, gold and lignite prospects in Madagascar. A drilling program in the South Kalimantan coal projects will commence following shareholder approval of the transaction and after all requisite approvals are obtained.

Minvest operations

Minvest operates as a diversified minerals and services group, and has operations in Australia, Indonesia and Madagascar. The Minerals division of the group has interests in the following projects:

Indonesia

Coal (100% ownership interest)

PT Minvest Mitra Pembangunan (**MMP**), which has secured options to purchase all of the shares of PT Suryaraya Permata Khatulistiwa (**PT SPK**) and PT Suryaraya Cahaya Cemerlang (**PT SCC**), each of which holds a Kuasa Pertambangan (KP or Mining Right) for coal in South Kalimantan.

The KPs are located in the coal bearing areas of the Tanjung Formation in the province of South Kalimantan.

The two adjacent KPs cover an area of 63 km² and are located at Muara Uya in the Tabalong district (see map below). This region of Kalimantan has been the focus of intense exploration for coal, resulting in numerous occurrences of high grade coking coal products as well as high energy thermal coals, both of which can attract premium market prices.

The general survey exploration stage is complete and the areas have undergone geological mapping, outcrop location, sampling and analysis leading to drill target definition. A stratigraphic drilling program for the projects is planned to commence as soon as all relevant approvals are obtained. The program will be designed to qualify the geometry and extent of the coal seams, including a core program to determine consistency of coal quality, and be capable of providing sufficient data to determine a resource.

Multiple seams exist along an 11 kilometre strike length on the leases, with 8 separate seam intervals identified ranging from 0.5 metre to almost 2.0 metres thick across a 2 kilometre wide outcrop zone.

PT SPK has 27 outcrop locations surveyed of which 13 have been sampled and **PT SCC** has 35 outcrop locations surveyed of which 17 have been sampled. The seams identified have moderate dips of 20 to 40 degrees. The main mapped outcrop zone is approximately 2 kilometres wide with down dip extents to be determined from an upcoming drilling program.

Coal quality is variable but shows overall high calorific values between 6,193 and 7,423 kcal/kg with low to medium sulphur levels.

The option agreement with the shareholders of PT SPK and PT SCC (the owners of the coal projects) contains the following general terms:

- US\$50,000 option fee for each KP, a total of US\$100,000.
- 24 months option period to purchase all of the shares in the current owners of the KPs.
- Purchase consideration is a royalty of US\$2:00 per tonne of coal produced and sold.



Madagascar

Uranium

Minvest Madagascar SA, an 80% subsidiary of Minvest, has an 80% interest in three uranium areas comprising 1,300 square kilometres in the south of Madagascar. In accordance with Madagascan law, the Madagascan Government has a 20% interest in the three uranium areas.

The areas are at an early stage of exploration, however, airborne radiometric carried out by the French Commissariat a l'Energie Atomique and the United

EXPLANATORY MEMORANDUM HADDINGTON RESOURCES LIMITED

Nations Special Fund has identified radioactive anomalies which were confirmed by Minvest through its follow up ground reconnaissance.

Gold

Minvest International Corporation has a 100% interest in a gold lease at Antanimbary, to the north of the capital Antananarivo. Exploration by others to date has revealed a high grade gossanous quartz gold anomaly where drilling has intersected two quartz mineralized zones with elevated gold values.

Lignite

Minvest Madagascar SA has a lease over part of a known lignite area at Antanifotsy, some 150 km south of the capital, Antananarivo. Minvest has carried out preliminary exploration work on the area and is working in co-operation with adjacent lease holders for joint development of the lignite resource.

A shareholders' agreement is in place between the shareholders of Minvest Madagascar SA, including Minvest, under which unanimous approval of the directors is required to enable Minvest Madagascar SA to:

- (1) enter into borrowings (other than shareholder loans);
- (2) dispose of substantial assets;
- (3) invest in other companies or business;
- (4) open branch offices; and
- (5) materially amend the constitution.

The Minvest Services division consists of drilling and geologging companies operating in Australia, Indonesia and Madagascar. The principal operating companies are:

Australia

Belldale Enterprises Pty Ltd (100% ownership), which currently has a fleet of four drilling rigs working principally in the Queensland coal exploration and mining industry.

RG Geologging Australia Pty Ltd (67.63% ownership), which provides geophysical logging services principally to the Queensland coal industry. A shareholders' agreement is in place between the shareholders of RC Geologging Australia Pty Ltd, which is substantially on the same terms as the shareholders' agreement between the Minvest Madagascar SA Shareholders.

Indonesia

PT Asiadrill Bara Utama (100% ownership), has a fleet of drill rigs principally servicing the coal exploration and mining industry in Indonesia.

PT Velseis Indonesia (Minvest has a 50% beneficial interest, held via a Deed of Trust, with the other 50% held by Velseis Pty Ltd, with each party contributing capital and receiving dividends in accordance with their respective ownership interests), provides geophysical logging and seismic surveys principally to the coal industry in Indonesia.

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HADDINGTON RESOURCES LIMITED**

Madagascar

Madagascar Drilling SA (a 95% subsidiary of Minvest) provides drilling and technical services in Madagascar. A shareholders' agreement is in place between the shareholders of Madagascar Drilling SA, including Minvest, under which unanimous approval of the directors is required to enable Madagascar Drilling SA to:

- (1) enter into borrowings (other than shareholder loans);
- (2) dispose of substantial assets;
- (3) invest in other companies or business;
- (4) open branch offices; and
- (5) materially amend the constitution.

Summary of Implementation Agreement

On 13 April 2007, the Company entered into an implementation agreement with Minvest and the Minvest Vendors whereby the parties agreed in principle that the Company will:

- (a) acquire all of the shares in the capital of Minvest and all of Minvest's interests in Minvest's Australian subsidiaries; and
- (b) issue a total of 45,589,645 Shares to the Minvest Vendors.

The implementation agreement contains the following conditions precedent:

- (a) the completion of any due diligence by the Company, satisfactory to the Company in its absolute discretion, by 30 June 2007. (The original date of 13 May 2007 was extended to 30 June 2007 by agreement between the parties);
- (b) the Company obtaining approval from its shareholders for the transaction contemplated by the implementation agreement, as well as all necessary regulatory approvals;
- (c) no prescribed occurrence (as defined in the implementation agreement) occurring between 13 April 2007 and the date of the shareholders' meeting seeking approval for the transaction; and
- (d) Minvest executing an agreement (on terms satisfactory to the Company) for the acquisition of the coal projects that Minvest was assessing and negotiating at the time of executing the Implementation Agreement. (On 10 May 2007, the Company announced to the ASX that Minvest had entered into option agreements in relation to the acquisition of these coal projects. These are discussed above).

The parties intend that the implementation agreement is to be supplemented by a formal transaction agreement to be executed by 30 June 2007. (The original date of 31 May 2007 was extended to 30 June 2007 by agreement between the parties). The formal transaction agreement will:

**EXPLANATORY MEMORANDUM
HADDINGTON RESOURCES LIMITED**

- (a) provide that key Minvest personnel identified by the Company must remain employed by Minvest or the Company for a period of 2 years following completion of the transaction on terms satisfactory to the Company and the key Minvest personnel;
- (b) provide that Minvest may direct the Company to issue up to 5% in total of the up to 45,589,645 new shares to be issued as part of the transaction shares to Minvest personnel;
- (c) provide that the Minvest Vendors and any Minvest personnel to whom shares are issued must execute voluntary escrow deeds in respect of the shares in the Company they receive pursuant to the transaction, with half those shares to be escrowed for a period of 2 years and the other half escrowed for a period of 3 years;
- (d) provide that Minvest will be entitled to appoint David Mason and an independent non-executive representative to the board of the Company; and
- (e) provide that the Minvest Vendors and their respective associates and related bodies corporate be prohibited from soliciting staff or clients from the Company, Minvest or a Minvest subsidiary for a period of 3 years from completion of the transaction, and be restrained from competing in any way with the Company in respect of the provision of drilling and exploration services and acquiring exploration and mining properties in Madagascar, Indonesia, Malaysia and Australia for the same 3 year period.

The implementation agreement contains an exclusivity obligation whereby Minvest and the Minvest Vendors each agree that they will not deal with any person other than the Company in any way in respect of the sale of the Minvest shares or the assets of Minvest or any interest in Minvest or its businesses for a period of 6 months from the date of the Implementation Agreement, unless the Company does not complete its due diligence by 30 June 2007. (The original date of 31 May 2007 was extended to 30 June 2007 by agreement between the parties).

The implementation agreement may be terminated:

- (a) by the Company:
 - (i) for non-fulfilment of any condition precedent (although the Company may elect to waive that condition precedent); or
 - (ii) if there is a breach by Minvest of a representation or warranty given by Minvest under the implementation agreement or if a material adverse change occurs;
- (b) by Minvest if the Company is in breach of a representation or warranty given under the implementation agreement; and
- (c) by Minvest or the Company if:
 - (i) the other party is in material breach of the agreement and an appropriate notice or opportunity to rectify that breach has been given to the other party; or

**EXPLANATORY MEMORANDUM
HADDINGTON RESOURCES LIMITED**

- (ii) a court of regulatory authority prohibits the transaction.

Listing Rule 7.1

Listing Rule 7.1 broadly provides that a company may not issue in excess of 15% of its issued securities without shareholder approval. As the issue of up to a total of 45,589,645 Shares to the Minvest Vendors will exceed this threshold, the company is seeking shareholder approval under resolution 1A to issue the Shares to complete the Minvest Acquisition.

The following information is provided to shareholders for the purpose of Listing Rule 7.3:

(a) The maximum number of securities the Company will be issuing under this Resolution is 45,589,645 Shares.

(b) The Shares will be allotted and issued upon completion of the Minvest Acquisition. (However, if the date of issue is proposed to be later than three months after the date of this General Meeting, an ASX waiver or modification will be sought prior to issue).

(c) The deemed issue price of the Shares will be the closing price of the Shares the day before the shares are issued.

(d) The allottees of the Shares will be as follows:

Entity / Person	Maximum Number of Shares
Aspac Mining Limited	9,220,030
East Anglia Company Limited	17,915,640
Faircrown Company Limited	8,704,455
The Asian Investment Marketing Ltd	8,399,520
James Brown	430,000
Colin Heckenberg	245,000
Jim Rush	245,000
Scott Horseman	205,000
Cameron Bray	205,000
Abu Hanifah	20,000
Total	45,589,645

or their respective nominees.

(e) The shares to be issued are fully paid ordinary shares which will rank equally with all other fully paid ordinary shares on issue.

**EXPLANATORY MEMORANDUM
HADDINGTON RESOURCES LIMITED**

(f) The issue is in consideration for the acquisition of all of the issued shares of Minvest. Accordingly, no funds will be raised from the issue of the securities.

Listing Rule 11.1.2

ASX Listing Rule 11.1 provides that if an entity proposes to make a significant change to the nature of scale of its activities, it must provide full details to ASX prior to making the change.

In this instance ASX has determined that Haddington must seek shareholder approval of the Minvest acquisition pursuant to Listing Rule 11.1.2 of the ASX Listing Rules in respect of the Minvest Acquisition. Resolution 1B seeks shareholder approval for this purpose.

Further information for shareholders

The pro forma capital structure upon completion of the transaction is shown below. The capital structure assumes completion of the Minvest acquisition and of a fully underwritten rights issue to raise \$5.0m before costs by issuing 2 new shares and 2 new options for each 5 shares currently held.

PRO FORMA CAPITAL STRUCTURE

	Current	Post Minvest Acquisition	Post Minvest Acquisition and Rights Issue
Ordinary shares at 21/6/07	55,720,678	55,720,678	55,720,678
Issue on completion of Minvest Acquisition		45,589,645	45,589,645
Issue on completion of rights issue			22,288,271
Total	<u>55,720,678</u>	<u>101,310,323</u>	<u>123,598,594</u>

Minvest shareholders will collectively hold approximately 37% of the expanded capital of Haddington upon completion of the Minvest Acquisition and the proposed rights issue.

Note that Haddington will have the following options on issue upon completion of the proposed rights issue.

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HADDINGTON RESOURCES LIMITED**

Expiry Date	Exercise Price	No. of Options
<u>Listed Options</u>		
31 May 2010	\$0.35	22,288,271
<u>Unlisted Options</u>		
31 December 2007	\$0.20	1,900,000
26 August 2008	\$0.30	500,000
	\$0.40	500,000
31 December 2008	\$0.40	450,000
31 December 2009	\$0.20	500,000
28 February 2010	\$0.20	625,000
30 June 2010	\$0.35	725,000
		<hr/>
		27,488,571
		<hr/> <hr/>

The following Proforma Balance Sheet shows the expected changes to the scale of the Company's activities assuming completion of the Minvest Acquisition and the proposed rights issue:

PROFORMA CONSOLIDATED BALANCE SHEET

	Proforma Unaudited 31 December 2006		
	31 December 2006 \$'000	Post Rights Issue \$'000	Post Minvest Acquisition & Rights Issue \$'000
CURRENT ASSETS			
Cash	4,104	8,880	10,225
Receivables	803	803	2,179
Inventories	107	107	116
Other	274	274	679
TOTAL CURRENT ASSETS	5,288	10,064	13,199
NON-CURRENT ASSETS			
Property, Plant & Equipment	607	607	3,451
Exploration & Evaluation	688	688	976
Goodwill	-	-	8,324
Other	-	-	294
TOTAL NON-CURRENT ASSETS	1,295	1,295	13,045
TOTAL ASSETS	6,583	11,359	26,244
CURRENT LIABILITIES			
Payables	239	239	1,475
Borrowings	25	25	67
Provisions	247	247	12
TOTAL CURRENT LIABILITIES	511	511	1,554
NON-CURRENT LIABILITIES			
Provisions	73	73	73
Borrowings	34	34	655
TOTAL NON-CURRENT LIABILITIES	107	107	728
TOTAL LIABILITIES	618	618	2,282
NET ASSETS	5,965	10,741	23,962
EQUITY			
Contributed Equity	8,688	13,464	26,685
Option Reserves	139	139	139
Accumulated Losses	(2,862)	(2,862)	(2,862)
TOTAL EQUITY	5,965	10,741	23,962

2. RESOLUTION 2 – Approval of the Haddington Employee Share Option Plan

The Company's employee incentive scheme called the "Haddington Employee Share Option Plan" provides a means of attracting quality employees, recognising their efforts, and providing incentive to these employees. The grant of employee options to eligible persons (as those terms are defined in the Plan) under the Plan are designed to provide meaningful incentives to those persons to pursue the optimal performance of the Company.

If Options granted pursuant to the Plan are exercised, the effect would be to increase the Company's cash reserves and dilute the shareholding of existing shareholders.

ASX Listing Rule 7.2

Shareholder approval is being sought pursuant to ASX Listing rule 7.2. Exception 9(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of the ordinary securities within 3 years of the date of issue.

Prior specific shareholder approval will be required before any director or related party of the Company can participate in the Plan.

Required information for shareholders

Summary of terms and conditions of the Plan

- All full-time or part time employees of the Company, including Directors are entitled to participate in the Plan.
- The total number of shares in respect of which options over shares in the Company that may be issued under the Plan at any time shall not exceed 5% of the issued equity securities of the Company.
- The number of options an eligible employee is to be allocated shall be determined by the Board of Directors in its sole and absolute discretion. The issue of options to Directors will be subject to the approval of shareholders in general meeting.
- No monies will be payable for the issue of the options.
- The options will expire at the earlier of:
 - A period that is no longer than five years after the date on which they were granted, as determined by the Board.
 - The date of cessation of employment, unless that cessation is due to retirement, permanent disability, redundancy or death.
 - If cessation of employment is due to retirement, permanent disability, redundancy or death, three months from the date of cessation.
- Each option shall carry the right in favour of an eligible employee to subscribe for one share.

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- Shares allotted on the exercise of options shall be issued at an issue price to be determined by the Board in its absolute discretion, which shall not be less than the minimum exercise price permitted by the Listing Rules.
- Options will be unlisted.
- Entitlement to participate in future issues
 - New Issues
Holders may only participate in new issues of securities to holders of Shares if an Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice as required under the Listing Rules to Holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.
 - Bonus Issues
If there is a bonus share issue ("**Bonus Issue**") to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.
 - Pro Rata Issues
If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any Options, the Exercise Price of an Option will be adjusted in the manner provided for in the Listing Rules.
 - Reorganisation of Capital
If, prior to the expiry of any Options, there is a reorganisation of the issued capital of the Company, Options will be reorganised in accordance with the Listing Rules.

Since the Plan was last approved, 4,380,000 options have been issued under the Plan, with 760,000 options exercised, 1,670,000 options lapsing and 1,950,000 options remaining outstanding.

A copy of the Plan will be forwarded upon request, will be available for inspection at the Company's registered office during normal business hours and will be available for inspection at the General Meeting.

3. RESOLUTION 3 – Non-executive Directors Fees

Approval of increase in aggregate non-executive directors' fees

The constitution of the Company provides that the directors' remuneration must not exceed the maximum sum determined by the Company in general meeting, with individual apportionments of that sum remaining within the discretion of the Board of the

**EXPLANATORY MEMORANDUM
HADDINGTON RESOURCES LIMITED**

Company. In addition, Listing Rule 10.17 of the ASX Listing Rules requires shareholder approval for an increase to the total amount of directors' fees (excluding the salary of an executive director) payable by it or any of its child entities.

The present level of aggregate fees paid to non-executive Directors is \$200,000 per annum.

It is considered appropriate and necessary to increase the aggregate limit of fees payable to non-executive Directors to increase the pool of fees available to allow the Company to continue to attract and retain directors of the calibre required to progress and develop the Company's business. An additional non-executive director will also be appointed to the Board upon completion of the Minvest acquisition.

If resolution 3 is passed, the maximum aggregate amount payable by the Company to non-executive Directors will increase from \$200,000 to \$350,000.

Scrutineer

A representative of Haddington's external auditor, Grant Thornton, will act as a scrutineer for any polls that may be required at the meeting.

DATED this 21st day of June 2007

BY ORDER OF THE BOARD

GLOSSARY OF TERMS

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

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

"**ASX**" ~ ASX Limited;

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

"**Corporations Act 2001**" ~ Australian Corporations Act 2001;

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

"**Haddington Share Option Plan**" or "**Plan**" ~ the employee incentive scheme known as the Haddington Share Option Plan and which was first approved by the shareholders of the Company on 15th June 2001.

"**Minvest Acquisition**" ~ the acquisition of all of the issued shares in Minvest from the Minvest Vendors in accordance with the implementation agreement dated 13 April 2007;

"**Minvest**" ~ Minvest International Corporation (a company incorporated under the laws of Mauritius);

"**Minvest Vendors**" ~ the shareholders of Minvest, being Aspac Mining Limited, East Anglia Company Limited, Faircrown Company Limited and The Asian Investment Marketing Ltd;

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

"**options**" ~ options to acquire Shares on the terms and conditions set out in Section 2 of the Explanatory Memorandum;

"**Resolution**" ~ any or all of the resolutions contained in the Notice of Meeting;

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

"**\$**" ~ Australian dollars.

PROXY FORM

Haddington Resources Limited
ACN 093 391 774

All correspondence to:
Haddington Resources Limited
PO Box 1909
West Perth WA 6872

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 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 Wednesday 25 July, 2007 at 1.00 pm and at any adjournment of that meeting.

IMPORTANT: FOR RESOLUTIONS 1 to 3 BELOW

If the Chairman of the Meeting is to be your proxy and you have not directed your proxy how to vote on Resolutions 1 to 3 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 that Item and that votes cast by him, other than as proxy holder, would 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 3 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 1 to 3.

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

Ordinary business

- | | For | Against | Abstain* |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1A Issue of Shares – Minvest Acquisition | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 1B Change of Scale of Activities – Minvest Acquisition | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 Approval of Haddington Employee Share Option Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 Increase Non-executive Directors Fees | <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 and 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 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.

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 1.00 pm on Wednesday 25 July 2007. Any Proxy Form received after that time (1.00pm Monday 23 July, 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
Outside Australia - + 61 8 9226 1551