

AustralianZircon

NL ABN 60 063 389 079

**AUSTRALIAN ZIRCON NL
ACN 063 389 079**

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

IMPORTANT INFORMATION

*This is an important document and should be read in its entirety.
If you do not understand it you should consult your professional advisers without delay.*

*If you wish to discuss any aspect of this document with the Company please contact Mr
Graham Seppelt on telephone (08) 7325 6500*

NOTICE OF ANNUAL GENERAL MEETING

AUSTRALIAN ZIRCON NL ACN 063 389 079

NOTICE IS HEREBY GIVEN that the 2013 Annual General Meeting of the Shareholders of Australian Zircon NL will be held at 11 am on 25 October 2013 at 52 Ord Street, West Perth, Western Australia 6005 to consider and, if thought fit, to pass the following Resolutions:

AGENDA

Financial & Other Reports

To receive and consider the financial report for the year ended 30 June 2013 and the accompanying Directors' Report, Directors' Declaration and Auditor's Report.

Resolution 1 – Re-election of Mr Jeremy Shervington

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

“That Mr Jeremy Shervington, having retired in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company with immediate effect.”

Resolution 2 – Election of Mr Johann Jooste-Jacobs

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

“That, Mr Johann Jooste-Jacobs, who was elected by the Board since the last annual general meeting of the Company and, having retired in accordance with the Company's Constitution and, being eligible, offers himself for election, be elected as a Director of the Company with immediate effect.”

Resolution 3 – 2013 Remuneration Report

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

“That the remuneration report that forms part of the Directors' Report for the financial year ended 30 June 2013, be adopted.”

The Remuneration Report is set out in the Directors' Report in the Annual Report for the year ended 30 June 2013. Please note that the vote on Resolution 3 is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

In accordance with sections 250R and 250BD of the Corporations Act 2001, the Company will disregard any votes cast on Resolution 3 by any Key Management Personnel (“KMP”) and a closely related party of a KMP. However, the Company need not disregard a vote if it is cast by a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in

accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

The Company's KMP are set out in the Remuneration Report. Generally speaking they are people having authority and responsibility for planning, controlling and directing the Company's activities in a direct or indirect manner. KMP include the Directors, and senior executives of the Company.

A closely related party of a KMP generally speaking means a spouse, child, or dependant of the key management personnel, or a child or dependant of the spouse of the KMP. It includes anyone else who is a member of the key management personnel's family who would influence or may be expected to influence the KMP in relation to his or her dealings with the Company. It also includes any company which is controlled by the KMP, and includes any other people prescribed as closely related parties by ASIC in the regulations to the Corporations Act (none are prescribed at this time).

KMP and their closely related parties will commit an offence under the Corporations Act if they vote in relation to Resolution 3 in breach of the voting restrictions.

DATED THIS 23rd DAY OF SEPTEMBER 2013

BY ORDER OF THE BOARD

**GRAHAM SEPPELT
COMPANY SECRETARY**

Notes:

Definitions

Terms which are used in this Notice and which are defined in Section 5 of the Explanatory Memorandum have the meanings ascribed to them therein.

Voting Entitlement

Australian Zircon NL (as convenor of the Meeting) has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in that register of members as at 7pm Perth time on the 23rd day of October 2013.

This means that any holder registered at 7pm Perth time on the 23rd day of October 2013 is entitled to vote at the Meeting.

Proxies

A member entitled to attend this Meeting and vote is entitled to appoint a proxy to attend and vote for the member at the Meeting. A proxy need not be a member. If the member is entitled to cast 2 or more votes at the Meeting the member may appoint 2 proxies. If a member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes. A form of proxy is attached with this notice.

Voting by Proxy

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

- Return the proxy form (by post or delivery) to Australian Zircon, PO Box 8242, Station Arcade, South Australia, 5000; or
- Send the proxy form to Australian Zircon by facsimile on (08) 8212 6818 or by email to seppelt@bold.net.au;
- Pursuant to Subsections 250R(4)-(10) of the Corporations Act, members of key management personnel (and their closely related parties) will be prohibited from voting – either personally or by undirected proxy - on Resolution 3, at the Annual General Meeting.

To be effective a completed proxy form must be received by no later than 11am (Perth time) on 23rd October 2013.

Where the proxy form is executed under power of attorney, the power of attorney must be lodged in like manner as the proxy.

AUSTRALIAN ZIRCON NL
ABN 60 063 389 079

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a Notice convening the 2013 Annual General Meeting of Australian Zircon NL to be held at 11 am on 25th of October 2013 at 52 Ord Street West Perth, Western Australia 6005. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed.

1. FINANCIAL & OTHER REPORTS

As required by section 317 of the Corporations Act, the financial report for the year ended 30 June 2013 and the accompanying Directors' Report, Directors' Declaration and Auditor's Report will be laid before the Meeting.

Neither the Corporations Act nor the Company's Constitution requires a vote on the report. However, shareholders will have an opportunity to ask questions about the report at the Meeting.

2. RESOLUTION 1 – RE-ELECTION OF MR JEREMY SHERVINGTON

Resolution 1 deals with the re-election of Mr Jeremy Shervington who retires by rotation as required by the Company's Constitution and the Listing Rules and being eligible, has offered himself for re-election.

The other Directors recommend to Shareholders that Mr Shervington be re-elected as a director.

3. RESOLUTION 2 – ELECTION OF MR JOHANN JOOSTE-JACOBS

Resolution 2 deals with the Election of Mr Johann Jooste-Jacobs following his appointment as a Director on 26 October 2012. It is a requirement of the Constitution that he retire at this Meeting. He is eligible to be elected.

The other Directors recommend to Shareholders that Mr Johann Jooste-Jacobs be elected as a director.

4. RESOLUTION 3 - REMUNERATION REPORT

Under the Corporations Act a listed company is required to put to the vote a resolution that the Remuneration Report be adopted. The Remuneration Report for the year ended 30 June 2013 can be found in the Annual Report sent to Shareholders (except those who have not elected to receive the Annual Report). A Copy of the Annual Report is available by contacting the Company or visiting the Company's website (<http://www.auzircon.com.au>)

The Remuneration Report sets out a range of matters relating to the remuneration of Directors and executives of the Company. A vote on Resolution 3 is advisory only and does not bind the Directors or the Company.

Under recently introduced amendments to the Corporations Act if:

- (a) At an Annual General Meeting (“**the later AGM**”) at least 25% of the votes cast on a Resolution that the remuneration report be adopted are against the adoption of the Remuneration Report; and
- (b) At least 25% of the votes cast at the immediately preceding Annual General Meeting (“**the earlier AGM**”) on a resolution that the Remuneration Report be adopted under Sub-section 250R(2) of the Corporations Act were against the adoption of the Report;
- (c) No “spill resolution” was put at the earlier AGM;

Then a “Board Spill” resolution must be put at the later AGM. The “Board Spill” resolution must be that:

- A specially convened general meeting (“**the Spill Meeting**”) be held within 90 days; and
- All Directors who:
 - Held office when the resolution by the Directors to make the Director’s report considered at the later AGM was passed; and
 - Are not a managing director that may hold office indefinitely in accordance with the ASX Listing Rules;

cease to hold office immediately before the end of the Spill Meeting; and

- Elections to appoint persons to offices that will be vacated before the end of the Spill Meeting must be held at the Spill Meeting.

5. DEFINITIONS

In this Explanatory Memorandum:

“**ASIC**” means Australian Securities and Investments Commission;

“**ASX**” means Australian Securities Exchange Limited ACN 008 624 691;

“**Chairman**” means the chairman of the Meeting;

“**Company**” means Australian Zircon NL ACN 063 389 079;

“**Constitution**” means the constitution of the Company as amended from time to time;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“Director” means a director of the Company;

“Directors’ Report” means the directors’ report for the financial year ended 30 June 2013 (as the context requires) provided to Shareholders;

“Explanatory Memorandum” means this explanatory memorandum;

“Listing Rules” means the official listing rules of the ASX;

“Meeting” means the meeting of Shareholders convened by this Notice;

“Notice” and **“Notice of Meeting”** means the notice of meeting to which this Explanatory Memorandum is attached;

“Remuneration Report” means the remuneration report relating to the financial year ended 30 June 2013 (as the context requires) and provided to Shareholders;

“Resolution” means a resolution set out in this Notice and **“Resolutions”** has a corresponding meaning;

“Section” means a section of this Explanatory Memorandum;

“Share” means an ordinary fully paid share in the capital of the Company and **“Shareholder”** has a corresponding meaning.

AUSTRALIAN ZIRCON NL
ABN 60 063 389 079

PROXY FORM

Australian Zircon NL
PO Box 8242
Station Arcade
South Australia, 5000
Fax Number: +61 (0)8 8212 6818
Email: seppelt@bold.net.au

I/We _____

of _____

being a shareholder/(s) of Australian Zircon NL hereby appoint _____

of _____

or failing him/her _____

of _____

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 11am, 25th of October 2013 at 52 Ord Street, West Perth, Western Australia 6005 and at any adjournment thereof in respect of []% of my/our shares or, failing any number being specified, **ALL** of my/our shares in the Company. If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%. (An additional proxy form will be supplied by the Company on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a Resolution, the proxy may abstain or vote at his or her discretion.

I/we direct my/our proxy to vote as indicated below:

<u>Number</u>	<u>Resolution</u>	<u>For</u>	<u>Against</u>	<u>Abstain</u>
1	Re-election of Mr Jeremy Shervington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Election of Mr Johann Jooste-Jacobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	2013 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Proxies given by a natural person must be signed by each appointing shareholder or the shareholder's attorney duly authorised in writing. Proxies given by companies must be executed in accordance with section 127 of the Corporations Act or signed by the appointor's attorney duly authorised in writing. The Chairman intends to vote all undirected proxies in favour of each Resolution.

If you do not wish to direct your proxy how to vote, please place a mark in the box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the Resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Resolution.

Chairman authorised to exercise undirected proxies on remuneration related resolutions:

Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Resolution 3** (except where I/we have indicated a different voting intention below) even though **Resolution 3** is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

As witness my/our hand/s this _____ day of _____ 2013

If a natural person:

SIGNED by:

Signature

Signature (if joint holder)

Print Name

Print Name

If a company:

Executed in accordance with section 127 of the Corporations Act:

Signature of Director/Sole Director

Signature of Director / Secretary

Print Name

Print Name