
LEYSHON RESOURCES LIMITED
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NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Suite 3, Level 3, 1292 Hay Street, West Perth, Western Australia on 24 November 2011 at 9.30am (WST).

This notice of annual general meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 9321 0077.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Leyshon Resources Limited (**Company**) will be held at Suite 3, Level 3, 1292 Hay Street, West Perth, Western Australia on 24 November 2011 at 9.30am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 22 November 2011 at 5pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1 of the Explanatory Memorandum.

AGENDA

Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2011, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. Resolution 1 – Remuneration Report

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

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the remuneration report, or a Closely Related Party of such member. However, a vote may be cast by such person if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chairman voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Re-election of Mr John Fletcher as Director

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

"That, Mr John Fletcher, who retires in accordance with Article 6.3(c) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

3. Resolution 3 – Ratification of Prior Placement

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

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 30,435,130 Shares each at an issue price of \$0.23 (Prior Placement) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the Prior Placement.

However, the Company will not disregard a vote if:

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

Dated 24 October 2011
By Order of the Board



Stacey Apostolou
Company Secretary

EXPLANATORY MEMORANDUM

Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at Suite 3, Level 3, 1292 Hay Street, West Perth, Western Australia on 24 November 2011 at 9.30am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions.

A Proxy Form is located at the end of the Explanatory Memorandum.

1. Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

2. Annual Report

The Corporations Act requires the Annual Report to be laid before the Company's annual general meeting. There is no requirement in either in the Corporations Act or the Constitution for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Financial Report (which includes the financial statements and Directors declaration), the Directors' Report and Auditor's Report;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman of the Meeting about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;

- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

maybe submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

3. Resolution 1- Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act has been amended by the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011 (Director and Executive Remuneration Act)* which received the Royal Assent on 27 June 2011 and came into effect on 1 July 2011.

The Director and Executive Remuneration Act introduced new sections 250U and 250Y, amongst others, into the Corporations Act, giving Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that it may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chairman will cast all available proxies in favour of Resolution 1.

4. Resolution 2 – Re-election of Mr John Fletcher as Director

Article 6.3(c) of the Constitution provides that where the Company has three or more Directors, one third of the Directors (rounded down to the nearest whole number) must retire at each annual general meeting of the Company.

Article 6.3(f) of the Constitution states that a Director who retires under Article 6.3(c) is eligible for re-election.

In accordance with the Constitution, Mr Fletcher will retire by rotation and seek re-election.

Mr Fletcher served as an Executive and main Board Director of the Trafalgar Group (**Trafalgar**) for more than 20 years, which at the time was one of the UK's largest industrial groups. Following the acquisition of Trafalgar by Kvaerner ASA (**Kvaerner**), he became Chairman and President of Kvaerner's engineering and construction worldwide operations.

In 1996, he was awarded the title of CBE (Commander of the British Empire) for his contribution to British industry. He was a member of the international advisory team to the Beijing Mayor in 1998 and later held the position of Executive Vice Chairman of the Construction Supervision Committee for the National Stadium for the Beijing 2008 Olympics.

Mr Fletcher is based in Hong Kong and is a director and shareholder of Somerley Group Limited (**Somerley**), the holding company for Somerley Limited (a specialist financial services company which has been operating for more than 25 years with a Beijing Representative Office), Somerley China Associates Limited, Somerley Asset Management Limited, Somerley Singapore Pte Limited, Somerley Investment Consulting (Shanghai) Limited and Somerley Australia Limited. Somerley also own 40% of Sydney based financial advisory firm Inteq Limited in which Mr Fletcher is a Somerley Director. Somerley advises both Chinese and international groups from its Hong Kong, Beijing, Shanghai, Sydney and Perth offices on access to capital via the Hong Kong Stock Exchange and via foreign direct investment. Mr Fletcher continues to maintain his well-established industry, government and financial connections in London.

Mr Fletcher also sits on the Advisory Board of Ambienta SGR S.p.A a fund management company focusing on the environment based in Italy as well as Luxottica China Advisory Board.

The Board unanimously supports the re-election of Mr Fletcher.

5. Resolution 3 – Ratification of Prior Placement

5.1 General

On 31 December 2010, the Shares of the Company were readmitted to trading on the AIM market of the London Stock Exchange Plc (**AIM**).

As part of its readmission to AIM, the Company completed a placement of 30,435,130 Shares at \$0.23 each raise \$7.0 million (before costs) to various institutional and sophisticated investors, including IDG-Accel China Growth Fund II L.P and its affiliated entity, as managed by IDG Capital Partners (**Prior Placement**). As a result of the Prior Placement, IDG-Accel China Growth Fund II LP has now become a substantial Shareholder of the Company, holding approximately 8% in the issued Share capital of the Company.

Funds raised from the Prior Placement were used to pay the costs of the Company's readmission to AIM, in carrying out due diligence, to help fund future investments and for general working capital purposes.

5.2 Listing Rule 7.4

The Shares issued under the Prior Placement were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 3 seeks Shareholder ratification of the Prior Placement pursuant to Listing Rule 7.4.

The effect of Shareholders passing Resolution 3 will be to restore the Company's ability to issue further capital to the maximum 15% limit during the next 12 months.

Resolution 3 is an ordinary resolution.

5.3 Specific Information Required by Listing Rule 7.5

For the purposes of Shareholder approval of the Placement and the requirements of Listing Rule 7.5, information is provided as follows:

- (a) 30,435,130 Shares were issued on 31 December 2010.
- (b) The Shares were issued at \$0.23 per Share.
- (c) The Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Shares were allotted to institutional and sophisticated investors, who are not related parties or associates of a related party of the Company.
- (e) The proceeds from the Prior Placement were used to pay the costs of the Company's admission to AIM, in carrying out due diligence, to help fund future investments and for general working capital purposes.
- (f) A voting exclusion statement is included in the Notice.

Schedule 1

Definitions

In this Explanatory Memorandum and the Notice:

AIM has the meaning given in Section 5.1.

Annual Report means the Directors' Report, the Financial Report and Auditor's Report for the financial year ended 30 June 2011.

Article means an article of the Constitution.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means Directors of the Company.

Business Day means a day on which the ASX is open for trading.

Chairman means the person appointed to chair the Meeting.

Company or **Leyshon** means Leyshon Resources Limited ABN 75 010 482 274.

Constitution means the Constitution of the Company as at the date of the Meeting.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Explanatory Memorandum means the explanatory memorandum to the Notice.

Financial Report means the 2011 annual financial report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Listing Rules means the Listing Rules of ASX.

Meeting has the meaning in the introductory paragraph of this Notice.

Notice means this notice of Meeting.

Proxy Form means the proxy form attached to this Notice.

Remuneration Report means the remuneration report of the Company contained in the Annual Report.

Resolution means a resolution referred to in this Notice.

Section means a section contained in the Explanatory Memorandum.

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

Shareholder means a shareholder of the Company.

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

LEYSHON RESOURCES LIMITED
ACN 0 1 0 4 8 2 2 7 4

PROXY FORM

The Company Secretary
Leyshon Resources Limited

By delivery:
Suite 3, Level 3
1292 Hay Street
WEST PERTH WA 6872

By post:
PO Box 2870
WEST PERTH WA 6005

By facsimile:
+61 8 9322 4073

Step 1 - Appoint a Proxy to Vote on Your Behalf

The Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman, 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, except for Resolution 1), at the Meeting to be held at 9.30am (WST time) on 24 November 2011, at Suite 3, Level 3, 1292 Hay Street, West Perth, Western Australia and at any adjournment or postponement of that Meeting.

Important for Resolution 1 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default and you have not directed him how to vote on Resolution 1 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote on Resolution 1 in Step 2 below, the Chairman will not cast your votes on Resolution 1 and your votes will not be counted in computing the required majority if a poll is called on this Resolution.

If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote on Resolution 1 by either marking the relevant boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman will vote in favour of Resolution 1 and currently intends to vote in favour of Resolution 1).

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 1

I/We (except where I/we have indicated a different voting intention below):

- (a) direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 1 to vote in favour of this Resolution;
- (b) authorise, in respect of Resolution 1 the Chairman of the Meeting to vote as described even though Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company; and
- (c) acknowledge that the Chairman of the Meeting may exercise my/our proxy in respect of Resolution 1 as he sees fit even if the Chairman has an interest in the outcome of Resolution 1 and that votes cast by him, other than as proxy holder, would be disregarded because of that interest.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an .

Step 2 – Instructions as to Voting on Resolutions

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Fletcher as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of the Resolutions.

Authorised signature/s This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

²Insert name and address of proxy

*Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at the Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at the Meeting, the representative of the body corporate to attend the Meeting must produce the "Certificate of Appointment of Representative" prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

Joint Holding: Where the holding is in more than one name all of the holders must sign.

Power of Attorney: If signed under a power of attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the power of attorney to this Proxy Form when you return it.

Companies: A director can sign jointly with another director or a company secretary. A sole director who is also a sole company secretary can also sign. Please indicate the office held by signing in the appropriate space.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company (Suite 3, Level 3, 1292 Hay Street, West Perth, WA, 6005, or by post to PO Box 2870, West Perth, WA, 6872 or Facsimile (08) 9322 4073 if faxed from within Australia or +618 9322 4073 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).