

AUSTRAL AFRICA RESOURCES LIMITED

ABN 36 060 774 227

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

FOR THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD AT
129 EDWARD STREET, PERTH WA
ON FRIDAY, 27 NOVEMBER 2009 AT 12.00 NOON WST

THIS DOCUMENT IS IMPORTANT

If you do not understand this document or are in any doubt as to how to deal with this document, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

FOR THOSE SHAREHOLDERS WHO HAVE ELECTED TO RECEIVE A PRINTED COPY OF THE ANNUAL REPORT, THE 2009 ANNUAL REPORT ACCOMPANIES THIS NOTICE. THIS REPORT IS ALSO AVAILABLE ON THE COMPANY'S WEBSITE:

www.australafrica.com.au/report

AUSTRAL AFRICA RESOURCES LIMITED

ABN 36 060 774 227

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Shareholders will be held at 129 Edward Street, Perth WA on Friday, 27 November 2009 at 12.00 noon WST for the purpose of transacting the following business:-

ORDINARY BUSINESS

Accounts

To receive and consider the Financial Report for the year ended 30 June 2009.

Remuneration Report

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

- 1 To receive and adopt the remuneration report for the financial year ended 30 June 2009.

The vote on this resolution is advisory only.

Directors

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

- 2 To elect Mr L A Colless who retires in accordance with the Constitution and, being eligible, offers himself for re-election.

Dated this 23rd day of October 2009

By order of the Board of Directors

Karen E V Brown
Company Secretary

AUSTRAL AFRICA RESOURCES LIMITED

ABN 36 060 774 227

EXPLANATORY STATEMENT

This explanatory statement is prepared for the benefit of shareholders to better understand the resolutions put to the Annual General Meeting of the Company to be held on Friday, 27 November 2009 at 12.00 noon

FINANCIAL REPORT

The Corporations Act requires the financial statements and the reports of the Directors and Auditor be laid before the Annual General Meeting. There is no requirement for shareholders to approve those reports. However, in accordance with the Corporations Act, shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions or make comments about those reports. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the independent audit report.

REMUNERATION REPORT - RESOLUTION 1

The Corporations Act requires listed companies to put a resolution to shareholders to adopt the Company's remuneration report. The vote on this resolution is advisory only and does not bind the Directors or the Company. Nevertheless, the outcome of the vote will be considered by the Remuneration and Nomination Committees when evaluating the remuneration arrangements of the Company.

The Remuneration Report is set out on pages 7 to 9 of the 2009 Annual Report. This report describes the principles used to determine the nature and amount of remuneration and sets out the remuneration arrangements for each Director.

Shareholders will be given a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

DIRECTORS - RESOLUTION 2

Mr Lindsay Arthur Colless retires by rotation and offers himself for re-election.

Mr Colless, aged 64, was appointed as a non-executive Director on 14 December 2006 and is currently Chairman of the Company.

He is a Chartered Accountant with 15 years experience in the profession and a further 31 years experience in commerce, mostly in the mineral and petroleum exploration industry in the capacities of financial controller, company secretary and director.

He is currently also a director of Newland Resources Ltd.

Austral Africa Resources Limited

ABN 36 060 774 227

000001 000 AAF
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Austral Africa Resources Limited
129 Edward Street
Perth WA 6000

Alternatively you can fax your form to
(within Australia) (08) 9227 8178
(outside Australia) +61 8 9227 8178

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 12:00pm (WST) Wednesday 25 November 2009

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Record Date

As permitted by the Corporations Act, the Company has determined that, for the purposes of the meeting, all securities of the Company will be taken to be held by the persons who held them as registered members at 5.00pm WST on 25 November 2009. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the annual report:

www.australafrika.com.au

Update your securityholding, 24 hours a day, 7 days a week:

www.investorcentre.com

Your secure access information is:

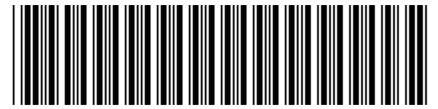
SRN/HIN: 1999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Austral Africa Resources Limited hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate 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 Austral Africa Resources Limited to be held at 129 Edward Street, Perth WA 6000 on Friday 27 November 2009 at 12:00pm (WST) and at any adjournment of that meeting.

STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report for the year ending 30 June 2009	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr L A Colless	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____

AAF

999999A

Computershare +