
AUSTRAL AFRICA RESOURCES LIMITED

ACN 060 774 227

NOTICE OF GENERAL MEETING

TIME: 11.00 am (WST)

DATE: Monday, 25 August 2008

PLACE: 129 Edward Street, Perth WA 6000

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) 9322 2744.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00 am (WST) on Monday, 25 August 2008 at:

129 Edward Street, Perth WA 6000

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 enclosed Proxy Form and return by:

- (a) post to Austral Africa Resources Limited, 129 Edward Street, PERTH, WA, AUSTRALIA, 6000 ; or
- (b) facsimile to the Company on facsimile number (+61 8) 9227 8178 ,

so that it is received not later than 11.00 am (WST) on 23 August 2008.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 11.00 am (WST) on Monday, 25 August 2008 at 129 Edward Street, Perth WA 6000.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the 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 General Meeting are those who are registered Shareholders of the Company at 11.00am (WST) on 23 August 2008.

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

AGENDA

1. RESOLUTION 1 – ISSUE OF SHARES TO SINO-ASIA MINING & RESOURCES PLC

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 200,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.

DATED: 18 JULY 2008

BY ORDER OF THE BOARD

**KAREN BROWN
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 11.00 am (WST) on Monday, 25 August 2008 at 129 Edward Street, Perth WA 6000

This 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 Resolution in the Notice of Meeting.

1. RESOLUTION 1 – ISSUE OF SHARES TO SINO-ASIA MINING & RESOURCES PLC

1.1 Background

As announced on 3 July 2008, the Company entered into an agreement with Sino-Asia Mining & Resources plc (**SAMR**) (**Sino-Asia Agreement**) pursuant to which SAMR agreed to sell and the Company agreed to purchase a 75% interest in two granted and two applications for mineral exploration concessions located in the Katanga province in the Democratic Republic of Congo (**DRC**) (**Concessions**).

As consideration for the acquisition of a 75% interest in the Concessions the Company agreed to issue SAMR 200,000,000 Shares (**Sino-Asia Consideration Shares**).

SAMR has advised the Company that it intends to distribute the Sino-Asia Consideration Shares to its shareholders (**In-Specie Distribution**). Following the issue of the Sino-Asia Consideration Shares and prior to the proposed In-Specie Distribution, the Sino-Asia Consideration Shares will be escrowed for a period of 12 months commencing on the date on which the Sino-Asia Consideration Shares are issued. In the event that SAMR proceeds with the In-Specie Distribution, the Company intends to apply to ASX for a waiver of the escrow of the Sino-Asia Consideration Shares.

The Concessions fall within the overall Mwashya-Roan-Kibrerian geological formations which have shown mineral anomalies of copper and cobalt with silver and gold elements.

The Company currently holds four granted mineral exploration concessions in the Katanga province and the Directors consider that the acquisition of the additional Concessions provides the Company with an exciting opportunity to explore the Katanga.

1.2 General

Resolution 1 seeks Shareholder approval for the allotment and issue of the Sino-Asia Consideration Shares (**Share Placement**).

None of the subscribers pursuant to this issue will be related parties of the Company.

ASX Listing Rule 7.1 provides that the prior approval of the shareholders of a company is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders in general meeting.

The effect of Resolution 1 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

1.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) the maximum number of Shares to be issued is 200,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the deemed issue price will be \$0.01 per Share;
- (d) as detailed Section 1.1 above, the Sino-Asia Consideration Shares will be escrowed for a period of 12 months commencing on the date on which the Sino-Asia Consideration Shares are issued. In the event that SAMR proceeds with the In-Specie Distribution, the Company intends to apply to ASX for a waiver of the escrow of the Sino-Asia Consideration Shares;
- (e) the Shares will be allotted and issued to Sino-Asia Mining & Resources plc (or parties nominated by Sino-Asia Mining & Resources plc). No Shares will be issued to any related parties or associates of the Company;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (g) no funds will be raised from the Share Placement as the Shares are being issued in consideration for the acquisition of the Concessions pursuant to the Sino-Asia Agreement.

2. ENQUIRIES

Shareholders are required to contact Karen Brown on (+ 61 8) 9322 2744 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Austral Africa Resources Limited (ACN 060 774 227).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the meeting convened by the Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Resolution means the resolution set out in the Notice of Meeting.

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

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

PROXY FORM

**APPOINTMENT OF PROXY
AUSTRAL AFRICA RESOURCES LIMITED
ACN 060 774 227**

GENERAL MEETING

I/We
being a member of Austral Africa Resources Limited entitled to attend and vote at the General Meeting, hereby

Appoint
Name of proxy

OR

Mark this box if you wish to appoint the Chair of the General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the General Meeting to be held at 11.00 am (WST), on Monday, 25 August 2008 at 129 Edward Street, Perth WA 6000, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of the Resolution.

Voting on Business of the General Meeting

FOR AGAINST ABSTAIN

Resolution 1 – Issue of Shares to Sino-Asia Mining & Resources plc

OR

If the Chair of the General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of Resolution 1 please place a mark in this box.

By marking this box, you acknowledge that the Chair of the General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 1 and that votes cast by the Chair of the General Meeting for Resolution 1 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 Chair will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 1.

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

If two proxies are being appointed, the proportion of voting rights this proxy represents is

Signed this day of 2008 _____%

By:

Individuals and joint holders

Signature
Signature
Signature

Companies (affix common seal if appropriate)

Director
Director/Company Secretary
Sole Director and Sole Company Secretary

AUSTRAL AFRICA RESOURCES LIMITED
ACN 060 774 227

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members should sign.
3. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
4. Corporate members should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

5. Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
6. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Austral Africa Resources Limited, 129 Edward Street, PERTH, WA, AUSTRALIA, 6000 ; or
 - (b) facsimile to the Company on facsimile number +61 8 9227 8178 ,

so that it is received not later than 11.00 am (WST) on 23 August 2008.

Proxy forms received later than this time will be invalid.