

RESOURCE DEVELOPMENT GROUP LIMITED

ABN 33 149 028 142



Resource
Development
Group

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM PROXY FORM

Date of Meeting

Wednesday, 30 November 2011

Time of Meeting

10.00 am (WST)

Place of Meeting

Freemasons Hall
181 Roberts Road
Subiaco WA 6008

ANNUAL REPORT

The 2011 Annual Report is available from the Company's website via the following link:

<http://www.resdevgroup.com.au>

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Resource Development Group Ltd (**Company** or **Resource Development Group**) is to be held on Wednesday, 30 November 2011, at Freemasons Hall, 181 Roberts Road, Subiaco, WA, 6008, commencing at 10.00 am (WST).

The Explanatory Memorandum that accompanies and forms part of this Notice describes the matters to be considered at this meeting.

BUSINESS

Financial Report

To receive and consider the financial report for the year ended 30 June 2011 together with the directors' report and auditor's report.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as a **non-binding resolution**:

“To adopt the Remuneration Report for the year ended 30 June 2011.”

Voting exclusions:

For the purposes of Resolution 1 in accordance with sections 250R and 250BD of the Corporations Act 2001, the Company will disregard any votes cast on resolution 1 by or on behalf of any key management personnel, details of whose remuneration are included in the Remuneration Report (“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 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 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's 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. Key management personnel include the Directors, and senior executives of the Company.

A closely related party of key management personnel generally speaking means a spouse, child, or dependent of the key management personnel, or a child or dependent of the spouse of the key management personnel. 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 key management personnel in relation to his or her dealings with the Company. It also includes any company which is controlled by the key management personnel, 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).

Resolution 2 – Re-election of Director – Mr Damir Panzich

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

“That Mr Panzich, being a director of the Company who, having been appointed on 28 January 2011, retires in accordance with Clause 16.3 of the Company's Constitution and being eligible and offering himself for re-election, be re-elected as a Director of the Company.”

Resolution 3 – Re-election of Director – Mr Chris Ryan

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

“That Mr Ryan, being a director of the Company who, having been appointed on 9 February 2011, retires in accordance with Clause 16.3 of the Company’s Constitution and being eligible and offering himself for re-election, be re-elected as a Director of the Company.”

Resolution 4 – Re-election of Director – Mr Mel Ashton

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

“That Mr Ashton, being a director of the Company who, having been appointed on 9 February 2011, retires in accordance with Clause 16.3 of the Company’s Constitution and being eligible and offering himself for re-election, be re-elected as a Director of the Company.”

Resolution 5 – Ratification of the Issue of 13,203,886 Shares

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

“That, for the purposes of Listing Rule 7.4 of the Listing Rules of ASX Limited and all other purposes, shareholders of the Company ratify the issue of 13,203,886 Shares issued to the vendors of Intellect Systems Pty Ltd, being Mr Christopher Noel Kane and Mr Jason Carmelo Monzu, at an issue price of \$0.2475 per share on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

Short Explanation: Under ASX Listing Rule 7.4, a company may seek shareholder approval to ratify an issue of securities provided that the issue does not fall within one of the exceptions to Listing Rule 7.1 and did not breach the 15% restriction contained in Listing Rule 7.1. This resolution if approved will allow the Company to have the flexibility to make future issues of securities up to the threshold of 15% of its fully paid ordinary shares in any 12 month period. Please refer to the Explanatory Memorandum for details.

Voting Exclusion: The Company will in accordance with the Listing Rules, disregard any votes cast on Resolution 5 by any of the persons who participated in the issue the subject of Resolution 5 and any associate of any of those persons. However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by a 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 6 – Appointment of Auditor

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

“That, for the purpose of Section 327B of the Corporations Act 2001 (Cth) and for all other purposes, HLB Mann Judd having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company.”

**DATED THIS 24th OF OCTOBER 2011 BY
ORDER OF THE BOARD**



Ben Donovan
Company Secretary

IMPORTANT NOTES:

- 1 A shareholder entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the shareholder. A proxy need not be a shareholder of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (eg the Company Secretary).
- 2 Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the shareholder's voting rights. If no such proportion is specified, each proxy may exercise half of the member's votes.
- 3 A proxy form is attached. A separate form must be used for each proxy. An additional form can be obtained by writing to Security Transfer Registrars Pty Ltd at PO Box 535, Applecross WA 6953, Australia or by fax to (61 8) 9315 2233 or by email to registrar@secritytransfer.com.au. Alternatively, you may photocopy the attached form.
- 4 A duly completed proxy form and (where applicable) any power of attorney or a certified copy of the power of attorney must be received by the Company at its registered office or the address or fax number set out below, not less than 48 hours before the time for commencement of the meeting. Please send by post to Security Transfer Registrars Pty Ltd at PO Box 535, Applecross WA 6953, Australia or by fax to (61 8) 9315 2233.
- 5 Any corporate member who has appointed a person to act as its corporate representative at the meeting should provide that person appropriate written documentation executed in accordance with the Corporations Act 2001 evidencing that the person is authorised to act as that company's representative. Please contact the Company Secretary if you require an appointment of corporate representative form. The authority may be sent to the Company in advance of the meeting or handed in at the meeting when registering as a corporate representative.
- 6 For the purposes of Section 1074E(2) of the Corporations Act and Regulation 7.11.37 of the *Corporations Regulations 2001*, the Company determines that members holding ordinary shares at 5pm (WST) on Monday, 28 November 2011 will be entitled to attend and vote at the Annual General Meeting.
- 7 The Explanatory Memorandum attached to this Notice forms part of this Notice.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Resource Development Group Limited (**Company** or **Resource Development Group**).

The Directors recommend shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Financial Statements and Report

Under the Corporations Act, the directors of the Company must table the financial report, the directors' report and the auditor's report for Resource Development Group for the year ended 30 June 2011 at the meeting.

These reports are set out in the 2011 Annual Report. Shareholders who elected to receive a printed copy of annual reports should have received the 2011 Annual Report with this Notice of Annual General Meeting. In accordance with section 314 (1AA)(c) of the Corporations Act 2001, the Company advises the 2011 Annual Report is available from the Company's website (<http://www.resdevgroup.com.au>).

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the financial report, the directors' report and the auditor's report.

Resolution 1 – Adoption of Remuneration Report

Under the Corporations Act, the Company is required to include, in the directors' report, a detailed Remuneration Report setting out the prescribed information in relation to the remuneration of directors and executives of Resource Development Group and the Company's remuneration practices.

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the Remuneration Report.

The Remuneration Report is required to be submitted for adoption by a resolution of Shareholders at the meeting. The vote on this resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Shareholders need to be aware that as a result of new legislation which became effective on 1 July 2011 a "two strikes" process will apply to the results of voting in relation to Resolution 1. This means that if the resolution proposing adoption of the Remuneration Report receives a "no" vote of over 25% of votes cast by those attending in person or by proxy and permitted to vote at two successive annual general meetings, then at the second AGM, an extra resolution must be put to the meeting proposing that another general meeting should be held within 90 days of the second AGM. A simple majority of over 50% of the votes cast at the second AGM is required to pass this extra resolution. If the resolution is passed, within 90 days another general meeting must be held at which all the Directors, except the Managing Director and any new Directors appointed since the date of the second AGM, will be required to resign and offer themselves for re-election. These provisions are colloquially referred to as the "two strikes rule" and the "spill resolution" to be put to the "spill meeting".

If at the spill meeting, the resolutions are all passed against re-electing the relevant Directors, the

legislation includes a mechanism to ensure the Board continues with the statutory required minimum of 3 Directors. After the managing director, the remaining two positions will be filled by the Directors whose re-election resolutions at the spill meeting received the highest percentage of votes in favour of re-election. If the number of votes is the same for two Directors, the Managing Director and any other Director whose re-election has been confirmed at this spill meeting, can choose who is to become the third Director, with such appointment to be confirmed by shareholders at the next occurring AGM.

Board recommendation

The Board recommends shareholders vote in favour of the Resolution.

Voting intention

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

Voting exclusion statement

The Company will disregard any votes cast on Resolution 1 by, or on behalf of:

- a member of the key management personnel as disclosed in the Remuneration Report;
- a closely related party (such as close family members and any controlled companies) of those persons,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the Proxy Form.

Resolution 2 – Re-election of Director – Mr Damir Panzich

Clause 16.3 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors. Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election.

Mr Panzich having been appointed as a director by the Board on 28 January 2011, retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Panzich holds a Bachelor of Engineering degree from the University of Western Australia and is a member of the Australian Institute of Company Directors. Mr Panzich has over 19 years experience in project management and engineering including various project and construction management roles and senior project engineer roles between 1992 and 2009 for companies such as Rio Tinto and BHP Billiton particularly in relation to feasibility studies and construction projects including new railway infrastructure in WA. Mr Panzich was a founding shareholder of Engenium.

Board Recommendation

The Board (other than Mr Panzich) recommends Shareholders vote in favour of the Resolution.

Voting Intention

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

Resolution 3 – Re-election of Director – Mr Chris Ryan

Clause 16.3 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors. Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election.

Mr Ryan having been appointed as a director by the Board on 9 February 2011, retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Ryan holds a Bachelor of Business degree, is a fellow of the Australian Human Resources Institute, an associate fellow of the Australian Institute of Management and a graduate member of the Australian Institute of Company Directors.

Mr Ryan has over 20 years experience in senior HR roles, including General Manager of human resources for Wesfarmers Limited between 1999 and 2008 where he was responsible for the HR aspects of acquisitions. Prior to his employment with Wesfarmers from 1994, Mr Ryan was employed in human resources management for WA government agencies including Commerce and Trade, and the Office of Industrial Relations. He currently provides corporate advisory services and is a member of Curtin University's School of Management Advisory Board (since 2008).

Board Recommendation

The Board (other than Mr Ryan) recommends Shareholders vote in favour of the Resolution.

Voting Intention

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

Resolution 4 – Re-election of Director – Mr Mel Ashton

Clause 16.3 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors. Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election.

Mr Ashton having been appointed as a director by the Board on 9 February 2011, retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Ashton holds a Bachelor of Commerce degree from the University of Western Australia, is a fellow of the Institute of Chartered Accountants and a fellow of the Australian Institute of Company Directors. Mr Ashton also currently holds a number of board appointments, including a National Director of the Institute of Chartered Accountants, Director of The Hawaiian Group of Companies and Chairman of Cullen Wines (Australia) Pty Ltd.

Board Recommendation

The Board (other than Mr Ashton) recommends Shareholders vote in favour of the Resolution.

Voting Intention

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 4.

Resolution 5 – Ratification of the Issue of 13,203,886 Shares

As announced to ASX on 4 October 2011 and 21 October 2011, the Company entered an agreement to acquire Intellect Systems Pty Ltd via the issue of, amongst other consideration paid, up to 13,203,886 Shares.

Subject to certain exceptions, Listing Rule 7.1 restricts a company from issuing equity securities in any 12 month period which amount to more than 15% of the Company's Shares on issue at the commencement of that period without shareholder approval.

An exception to this rule contained in Listing Rule 7.4 provides that an issue made within the 15% limit will be treated as having been made with the approval of shareholders under Listing Rule 7.1 if subsequently approved by Shareholders, thereby “refreshing” the Company’s ability to issue securities within the 15% limit. While the shares described in this Resolution 4 were issued within the 15% limit, the Company seeks Shareholder ratification of the issue of those shares for the purpose of Listing Rule 7.4, so that the Company’s ability to issue securities will be “refreshed” and it will have flexibility to issue further securities should the need or opportunity arise.

In accordance with the requirements of Listing Rule 7.5, the following information is provided to Shareholders to enable them to ratify the issue of the Shares to Intellect Systems Pty Ltd:

- (a) The total number of securities allotted was 13,203,886 Shares
- (b) The Shares were issued at an issue price of \$0.2475 per Share.
- (c) The Shares are issued on the same terms as existing Shares currently on issue the terms of which are in the public domain.
- (d) The Shares were issued to the vendors of Intellect Systems Pty Ltd, being Mr Christopher Noel Kane and Mr Jason Carmelo Monzu, who are both unrelated parties of the Company.
- (e) No funds were raised via the issue.

Board Recommendation

The Board believes that refreshing the Company’s ability to issue Shares within the 15% limit is in the best interests of the Company, thereby maintaining its flexibility to make placements of securities without seeking shareholder approval if the need or opportunity arises. Accordingly, the Board recommends Shareholders vote in favour of the Resolution.

Voting Intention

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 5.

Resolution 6 – Appointment of Auditor

Pursuant to Section 327B(1) of the Corporations Act 2001 (Cth), the Company must appoint an auditor at its first annual General Meeting.

In accordance with Section 328B(1) of the Corporations Act 2011 (Cth), the Company has received a written notice of nomination from a shareholder of the Company for HLB Mann Judd to be appointed as the Company’s auditors. A copy of the notice of nomination is enclosed with the Notice of Meeting.

HLB Mann Judd has given its written consent to act as the Company’s auditors subject to shareholder approval of resolution 6, with effect from close of the Meeting.

Board Recommendation

The Board has confidence in the independence, professionalism and competence of HLB Mann Judd, and therefore the Board supports this nomination.

Voting Intention

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 6.

DEFINITIONS

\$ means an Australian dollar.

ASX means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules and **Listing Rules** mean the official listing rules of ASX.

Board means the board of directors of the Company.

Company or **Resource Development Group** means Resource Development Group Ltd (ACN 149 028 142).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a Director of the Company and **Directors** means the directors of the Company.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Annual General Meeting.

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

Notice means this Notice of Annual General Meeting.

Remuneration Report means the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2011.

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 as observed in Perth, Western Australia.

10 October 2011

Company Secretary
Resource Development Group Limited
Level 10, Carillon Tower
207 Murray Street
Perth WA 6000

Dear Mr Donovan,

Notice of nomination of auditor

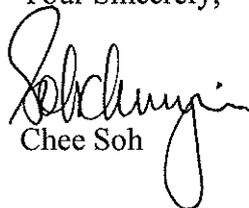
I am a member of Resource Development Group Limited ACN 149 028 142 (the "Company").

I hereby nominate HLB Mann Judd for appointment as the auditor of the Company.

This letter serves as a Notice of Nomination in accordance with section 328B(1) of the Corporations Act 2001 (Cth) ("Corporations Act").

In accordance with Section 328B(3) of the Corporations Act, please send a copy of this notice to HLB Mann Judd and any person entitled to receive notice of general meetings of the company.

Your Sincerely,


Chee Soh

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