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**DIAMOND ROSE NL**

**ABN 30 075 860 472**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 11:00 AM

**DATE:** 24 November 2006

**PLACE:** BOULEVARD HOTEL

90 WILLIAM STREET, SYDNEY

*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 2) 9380 7233.*

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Annual General Meeting of the Shareholders of Diamond Rose NL to which this Notice of Meeting relates will be held at the Boulevard Hotel, 90 William Street, Sydney, New South Wales on Friday, 24 November 2006 commencing at 11:00am (EST).

**YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form:

- (a) by post to Terrace Tower, Suite 201, 80 William Street, Sydney, New South Wales 2011;  
or
- (b) by facsimile to the Company on facsimile number (02) 9380 7972,

so that it is received not later than 5:00pm EST on Wednesday, 22 November 2006.

**Proxy forms received later than this time will be invalid.**

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Diamond Rose NL will be held at the Boulevard Hotel, 90 William Street, Sydney, New South Wales commencing at 11:00am (EST) on Friday, 24 November 2006

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual 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 Annual General Meeting are those who are registered Shareholders of the Company on Wednesday, 22 November 2006 at 5:00pm.

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

### AGENDA

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#### 1. ACCOUNTS

To receive and consider the Annual Financial Report together with the Directors' and Auditor's Reports for the period ending 30 June 2006.

#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider, and if thought fit to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That for the purposes of Section 250R(2) of the Corporations Act, the Company be authorised to adopt the Remuneration Report."*

**Short Explanation:** Pursuant to Section 250R(2) of the Corporations Act, a resolution that the remuneration report be adopted must be put to the vote. The vote on the resolution is advisory only and does not bind the directors of the Company.

#### 3. RESOLUTION 2 – RE-ELECTION OF MR TERENCE WILLSTEED

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

*"That Mr Terence Willsted, being a director of the Company who retires by rotation pursuant to clause 12.2 of the Company's Constitution, and being eligible, is re-elected as a director of the Company."*

**Short Explanation:** Pursuant to clause 12.2 of the Company's constitution, one third of the Company's directors must retire at each Annual General Meeting. A director who retires in accordance with clause 12.2 of the Constitution is eligible for re-election.

#### 4. RESOLUTION 3 – RE-ELECTION OF MR PABLO VERGARA DEL CARRIL

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

*"That Mr Pablo Vergara del Carril, having been appointed as a director of the Company on 18 May 2006 and, being eligible for re-election, be re-elected as a director of the Company."*

**Short Explanation:** Pursuant to clause 12.4 of the Company's constitution, a director who is appointed as an additional director, holds office only until the next following general meeting. A director who retires in accordance with clause 12.4 of the Constitution is eligible for re-election.

**5. RESOLUTION 4 – CHANGE OF COMPANY NAME**

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

*“That, pursuant to Section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to “Austral Gold Limited.”*

**Short Explanation:** Pursuant to Section 157(1) of the Corporations Act, a company may change its name by a special resolution passed at a general meeting.

**6. RESOLUTION 5 – CHANGE OF COMPANY STATUS**

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

*“That, for the purposes of Section 162 of the Corporations Act and for all other purposes, the status of the Company be changed from a public no liability company to a public company limited by shares.”*

**Short Explanation:** Pursuant to Section 162 of the Corporations Act, a company may change to a company of a different type by a special resolution passed at a general meeting.

**7. RESOLUTION 6 – ADOPTION OF A NEW CONSTITUTION**

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

*“That, pursuant to Section 136(2) of the Corporations Act and for all other purposes, the Company adopts a new constitution in the form as signed by the Chairman of the Annual General Meeting for identification purposes, in lieu of the existing constitution of the Company, at the close of the Annual General Meeting.”*

**Short Explanation:** Pursuant to Section 136 of the Corporations Act, a company may adopt a new Constitution by a special resolution passed at a general meeting.

**8. RESOLUTION 7 – REDUCTION OF SHARE CAPITAL**

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

*“That, for the purposes of Section 256B of the Corporations Act and for all other purposes, the Company’s issued share capital be reduced, with effect from the passing of this Resolution, in the following manner:*

- (a) the issued capital of the Company be reduced from \$37,281,992 to \$5,383,566;*
- (b) the reduction be made without any Shares being cancelled or any payment to any Shareholders of any paid up share capital; and*
- (c) by applying the resultant amount of cancelled paid up share capital of \$31,898,426 in eliminating the same amount in the accumulated losses account of the Company.”*

**Short Explanation:** Under Chapter 2J of the Corporations Act, the Company must seek Shareholder approval in circumstances in which it seeks to reduce its share capital. Please refer to the Explanatory Statement for details.

**9. RESOLUTION 8 – ISSUE OF SHARES TO GUANACO CAPITAL HOLDING CORP**

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

*“That, for the purposes of Section 208 of the Corporations Act, Listing Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, shareholders approve and authorise the allotment and issue of 35,813,954 fully paid ordinary shares in the capital of the Company to Guanaco Capital Holding Corp at an issue price of 4.3 cents each on the terms and conditions as set out in the Explanatory Statement accompanying this Notice.”*

**Short Explanation:** An equity issue can be approved by shareholders in accordance with the ASX Listing Rules. This allows the Company the flexibility to issue securities in the future up to the threshold of 15% of its total equity securities in any 12 month period. Please refer to the Explanatory Statement for details.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Guanaco Capital Holding Corp and any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed, and any associates of those persons.

**10. RESOLUTION 9 – RATIFICATION OF ISSUE OF SECURITIES**

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

*“That, for the purposes of Listing Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, shareholders ratify the allotment and issue of 226,663 fully paid ordinary shares in the capital of the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”*

**Short Explanation:** An equity issue can be ratified by shareholders in accordance with the ASX Listing Rules. This allows the Company the flexibility to issue securities in the future up to the threshold of 15% of its total equity securities in any 12 month period. Please refer to the Explanatory Statement for details.

**Voting Exclusion:** The Company will disregard any votes cast on this resolution by a person who participated in the issue of the securities and any associate of those persons.

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**DATED: 16 October 2006**

**BY ORDER OF THE BOARD**



**DIAMOND ROSE NL  
MR HENRY KINSTLINGER  
COMPANY SECRETARY**

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at the Boulevard Hotel, 90 William Street Sydney, New South Wales on Friday, 24 November 2006 at 11.00am (EST).

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 Resolutions in the Notice of Meeting.

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### **1. FINANCIAL STATEMENTS AND DIRECTORS' REPORTS**

In accordance with the Company's Constitution, the business of the meeting will include receipt and consideration of the Company's Financial Report and reports of Directors and Auditors for the year ended 30 June 2006.

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### **2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT**

The Remuneration Report is set out on page 13 in the Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. However, Shareholders should note that the vote on Resolution 1 is advisory only and not binding on the Company or its Directors.

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### **3. RESOLUTION 2 – RE-ELECTION OF MR TERENCE WILLSTEED**

Clause 12.2 of the Constitution requires one third of the Company's Directors must retire at each annual general meeting. It also provides that a Director who retires under Clause 12.2 is eligible for re-election.

Mr Willsteed has retired by rotation and now seeks re-election in accordance with clause 12.2 of the Constitution.

Brief profiles of all directors are contained in the Company's 2006 Annual Report.

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### **4. RESOLUTION 3 – RE-ELECTION OF MR PABLO VERGARA DEL CARRIL**

Pursuant to clause 12.4 of the Constitution, the Directors may at any time appoint a person to be a director, either to fill a casual vacancy or 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 Vergara del Carril was appointed as a Director on 18 May 2006 and now seeks re-election in accordance with clause 12.4 of the Constitution.

Mr Vergara del Carril is a lawyer and is Professor of Postgraduate Degrees for Capital Markets, Contracts, Corporate Law and Business Law at the Argentine Catholic University.

Mr Vergara del Carril is a director of Banco Hipotecario (a listed company, named the best Latin American Bank in 2004 by Latin Finance), Milkaut S.A. (an Argentine leading dairy company), Nuevas Fronteras (owner of the Intercontinental Hotel in Buenos Aires)

and Emprendimiento Recoleta S.A. (owner of the Buenos Aires Design Shopping Center).

Mr Vergara del Carril is also director of Guanaco Mining Company Limited and Guanaco Capital Holding Corp.

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**5. RESOLUTION 4 – CHANGE OF COMPANY NAME**

The new name proposed to be adopted under Resolution 4 is “Austral Gold Limited”.

The Company's primary objectives have changed from diamond and gemstone exploration to one predominantly focused on gold exploration, both locally and overseas.

The Directors believe that this new name more accurately reflects the proposed future operations of the Company.

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**6. RESOLUTION 5 – CHANGE OF COMPANY STATUS**

Resolution 5 seeks Shareholder approval for the Company to change its status from a public no liability company to a public company limited by shares.

Section 162 of the Corporations Act specifically provides that a public no liability company may change its status to a public company limited by shares by the members passing a special resolution at a general meeting.

The principal differences between a public no liability company and a public company limited by shares may be summarised as follows:

- (a) holders of partly paid shares in a public no liability company have no contractual liability to pay up the unpaid portion of the issue price of those shares, although the shares will generally be forfeited if a call on the shares is not paid. In a public company limited by shares, a holder of partly paid shares has a contractual liability to pay the amounts unpaid in his or her shares, as and when those amounts are called up, and any balance owing after the shares have been forfeited and disposed of for non-payment of a call remains a debt due and payable to the company;
- (b) a public no liability company can only be involved in mining activities. In contrast, a public company limited by shares can undertake any type of activity and in doing so generally has all the powers of a natural person;
- (c) dividends are payable in a public no liability company to shareholders in proportion to the shares held by them, regardless of the amounts paid up on those shares. In a public company limited by shares, dividends are generally payable in proportion to the amounts paid up on shares; and
- (d) surplus assets in a public no liability company available for distribution to shareholders on a winding up of the company are distributed to shareholders in proportion to the shares held by them, regardless of the amounts paid up on those shares. In a public company limited by shares, any surplus available for distribution in a winding up is generally distributed to shareholders in proportion to the amounts paid up on their shares.

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**7. RESOLUTION 6 - ADOPTION OF A NEW CONSTITUTION**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders. Resolution 6 is a special resolution which will enable the Company to adopt a new constitution.

Since the adoption of the Company's current constitution in November 1999, there have been a number of significant amendments to the ASX Listing Rules and the Corporations Act 2001 (Cth) (previously the Corporations Law) which need to be incorporated into the Company's constitution.

Given the large number of proposed changes which would need to be made throughout the existing constitution, it is more appropriate to adopt a new constitution than to put forward a resolution proposing amendments to the Company's existing constitution.

A copy of the proposed constitution has been provided to ASX prior to despatch to shareholders of this notice of meeting. ASX has reviewed the proposed new constitution and confirmed that it is not inconsistent with the ASX Listing Rules.

It is not practicable to list all of the changes to the Constitution in this Explanatory Statement and Shareholders are invited to contact the Company if they have any queries or concerns. For this purpose, a copy of the proposed new constitution is available for review by Shareholders at the office of the Company and on the Company's website at [www.diamondrose.com.au](http://www.diamondrose.com.au). A copy will be available for inspection at the meeting. A copy of the proposed new constitution will also be sent to Shareholders on request prior to the meeting free of charge.

Adoption of a new constitution will provide consistency between the Company's constitution and the ASX Listing Rules/Corporations Act 2001 (Cth).

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## **8. RESOLUTION 7 - REDUCTION OF SHARE CAPITAL**

Resolution 7 seeks Shareholder approval for the Company to reduce its share capital from \$37,281,992 to \$5,383,566. The proposed capital reduction will not involve the cancellation of any Shares.

### **Reason for the Proposal**

As set out in the Company's yearly financial report as at 30 June 2006 the Company has considerable accumulated losses resulting from losses incurred by the Company over several years. The passing of Resolution 7 by Shareholders will allow the Company to reduce the accumulated losses account of the Company by \$31,898,426. Accordingly, the paid up capital of the Company that is not represented by available assets (due to the accumulated losses) will be cancelled.

### **Procedural Requirements**

In order for the Company to make an equal capital reduction in compliance with Sections 256B and 256C of the Corporations Act, the capital reduction must:

- (a) be fair and reasonable to the Company's Shareholders as a whole;
- (b) not materially prejudice the Company's ability to pay its creditors; and
- (c) be approved by Shareholders passing an ordinary resolution at a general meeting.

The proposed capital reduction is an equal reduction.

### **Financial Impact**

In general terms, the financial implications of the proposed capital reduction for the Company are:

- (a) earnings per share will decrease marginally; and

(b) net tangible assets per share will decrease.

The pro forma financial implications for the Company of the proposed capital reduction prior to the issue of any shares or the conversion or exercise of any Convertible Securities are summarised below:

<b>Equity at 30 June 2006</b>	<b>Pre Capital Reduction</b>	<b>Post Capital Reduction</b>
Share Capital pending issue	\$1,000,000	\$1,000,000
Contributed equity	\$37,281,992	\$5,383,566
Retained Earnings	Nil	Nil
Accumulated losses	(\$31,898,426)	Nil
<b>Total parent entity interests</b>	<b>\$6,383,566</b>	<b>\$6,383,566</b>
Outside equity interests	-	-
<b>Total equity</b>	<b>\$6,383,566</b>	<b>\$6,383,566</b>

#### **Taxation Considerations**

As taxation consequences can vary between individual Shareholders depending upon the circumstances of each individual Shareholder and their shareholding, it is solely the responsibility of Shareholders to inform themselves of the taxation implications of passing Resolution 7. In order to so inform themselves, Shareholders should seek independent expert taxation advice in respect of their own taxation position.

The Directors consider that the proposed capital reduction will not affect the Company's taxation position.

#### **Impact on Creditors**

The Directors consider that, as the proposed capital reduction is for no consideration and no Company funds are being used, it will not prejudice the Company's ability to pay its creditors.

#### **Fairness and reasonableness of proposal**

The Directors also consider that the proposed capital reduction is fair and reasonable to Shareholders as a whole.

The terms of the proposed return of capital involves a reduction in its issued share capital from \$37,281,992 to \$5,383,566. As the reduction applies equally to all Shares in the Company it is fair and reasonable to all Shareholders. The Board therefore recommends that the Resolution be passed.

#### **Option holders**

Option holders are not financially affected by this proposal. In a proportional sense, their economic interest in the Company will be exactly the same as it was prior to any approval of the reduction.

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**9. RESOLUTION 8 – ISSUE OF SHARES TO SUBSTANTIAL HOLDER****Background**

Resolution 8 seeks shareholder approval for the allotment and issue of 35,813,954 Shares to Guanaco Capital Holding Corp (**GCH**) at an issue price of 4.3 cents each (**GCH/DR Shares**).

In August 2006 the Company received \$540,000 in funding from its largest shareholder. The funding is in the form of a loan advance pending the issue of 12,558,140 Fully Paid shares at an issue price of 4.3 cents. The loan is partially secured by a charge over the Company and attracts no interest prior to the AGM. Thereafter the loan will attract interest at the Westpac Indicator Lending Rate commencing 3 days after the AGM.

Shareholder approval is also sought for the issue of 23,255,814 Fully Paid shares at an issue price of 4.3 cents in consideration of a \$1 million advance provided to the Company on 18 May 2005.

GCH is the sole shareholder of Global Gold SA which holds a 63.8% interest in the Company.

**Regulatory Requirements**

The ASX Listing Rules and the Corporations Act sets out a number of regulatory requirements that must be satisfied in relation to the issue of securities to GCH.

**Shareholder Approvals Required – Chapter 2E of the Corporations Act and ASX Listing Rule 10.11**

Shareholder approval is required under Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 for the issue of the GCH/DR Shares to GCH because GCH is a related party as a result of it being considered to "control" the Company for the purposes of the Corporations Act and the ASX Listing Rules.

For the purposes of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided to allow Shareholders to assess the proposed issue of the GCH/DR Shares:

- (a) the party to whom the GCH/DR Shares will be allotted and issued is GCH;
- (b) the maximum number of GCH/DR Shares (being the nature of the financial benefit being given) to be issued is 35,813,954 Shares;
- (c) the GCH/DR Shares will be issued at an issue price of \$0.043;
- (d) GCH has the following interests in the securities of the Company;

<b>Related Party</b>	<b>Shares</b>	<b>Options</b>
GCH (as the sole shareholder of Global Gold SA)	257,893,301	90,560,038

- (e) as a result of the issue of the GCH/DR Shares, the number of Shares on issue will increase from 404,418,205 to 440,232,159 (assuming that no other options are exercised and no other Shares issued) with the effect that the shareholdings of existing Shareholders would be diluted as follows:

Related Party	Number of GCH/DR Shares to be issued	Issued Shares on completion of the Transaction	Dilutionary effect if all Options issued to the related party are exercised
GCH	35,813,954	440,232,159	8.86%

(f) in the last 12 months before the date of this Notice the highest, lowest and latest trading price of Shares on ASX were:

Highest	\$0.074 on 30 May 2006
Lowest	\$0.026 on 16 August 2006
Last	\$0.045 cents on 13 October 2006

(g) the GCH/DR Shares will be issued to GCH on the same terms and conditions as the Company's existing fully paid ordinary shares;

(h) the funds raised from the issue of the GCH/DR Shares, being \$1,540,000, have been and will continue to be applied to meeting the operational costs of the Company and have been and are reflected in the Cash Flow Statements accompanying the statutory financial statements of the Company as reported to ASIC and the ASX;

(i) the GCH/DR Shares will be issued not later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the GCH/DR Shares will be issued on one date;

(j) given the purposes of the issue of the GCH/DR Shares, as set out above, the Directors do not consider that there are any opportunity costs to the Company or benefits forgone by the Company in issuing the GCH/DR Shares upon the terms proposed; and

(k) other than Mr Vergara del Carril, who is also a director of GCH and therefore declines to comment in relation to this Resolution, none of the other Directors have a material interest in the outcome of Resolution 8 and they all recommend that Shareholders vote in favour of Resolution 8. The Directors are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolutions.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the GCH/DR Shares as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the GCH/DR Shares will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

Shareholder approval of the issue of the GCH/DR Shares to GCH is not required under Item 7 of Section 611 of the Corporations Act as the acquisition is exempt under Item 9 of Section 611 (3% creep exception). The following table represents GCH's and Global Gold SA's relevant interest in the Company's shares and voting power both pre and post the issue of the GCH/DR Shares:

	Relevant Interest	Total Shares on issue	Voting Power
Pre-issue of GCH/DR Shares	257,893,301	404,418,205	63.77%
Post-issue of GCH/DR Shares	293,707,255	440,232,159	66.72%

The above table assumes that:

- (a) no additional Shares are issued and no options are exercised; and
- (b) no parties other than GCH and Global Gold SA will receive an increase in voting power because of the issue of the GCH/DR Shares. The maximum extent of GCH's and Global Gold SA's increase in voting power is 2.95%.

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## 10. RESOLUTION 9 – RATIFICATION OF ISSUE OF SECURITIES

ASX Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of shares, or securities convertible into shares (such as an option), representing more than 15% of the issued capital of that company in any 12 month period.

ASX Listing Rule 7.4.2 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in general meeting ratifies the previous issue of securities made without approval under ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Shareholder ratification for the issue of securities is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without shareholder approval.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total number of securities issued or agreed to be issued was 226,663 Shares;
- (b) the Shares were allotted and issued to Gordon Holdings (QLD) Pty Ltd;
- (c) the Shares were allotted and issued on 6 June 2006;
- (d) the issue price of the Shares was \$0.04 each;
- (e) the Shares issued were all fully paid ordinary shares in the capital of the Company; and
- (f) the funds raised by the issue of the Shares have been and will continue to be applied to meeting the operational costs of the Company and have been and are reflected in the Cash Flow Statements accompanying the statutory financial statements of the Company as reported to ASIC and the ASX.

## GLOSSARY

**ASX** means Australian Stock Exchange Limited.

**ASX Listing Rules** or **Listing Rules** means the listing rules of ASX.

**Board** means the board of directors of the Company.

**Company** means Diamond Rose NL (ABN 30 075 860 472).

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement to the Notice.

**GCH** means Guanaco Capital Holding Corp a company incorporated in the British Virgin Islands.

**Meeting** means the meeting convened by the Notice.

**Notice** means this notice of meeting.

**Resolution** means a resolution contained in the Notice.

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

**Shareholder** means a holder of Shares.

**PROXY FORM**

**APPOINTMENT OF PROXY  
DIAMOND ROSE NL  
ABN 30 075 860 472**

I/We   
being a Member of Diamond Rose NL entitled to attend and vote at the Meeting, hereby  
Appoint   
Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman'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 the Boulevard Hotel, 90 William Street Sydney, New South Wales on Friday, 24 November 2006 commencing at 11:00am (EST) and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

<b>Voting on Business of the General Meeting</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-Election Mr Terence Willstead	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-Election Mr Pablo Vergara del Carril	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Change of Company Status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Adoption of a New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Reduction of Share Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Issue and Allotment of Shares to GCH	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 – Ratification of Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If you do <b>not</b> wish to direct your proxy how to vote, please place a mark in this box			<input type="checkbox"/>

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 the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

**YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.**

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2006

**By:**

**Individuals and joint holders**

**Companies (affix common seal if appropriate)**

Signature
Signature
Signature

Director
Director/Company Secretary
Sole Director and Sole Company Secretary

**Instructions for Completing 'Appointment of Proxy' Form**

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders 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:
  - 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.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form enclosed:
  - (a) send the proxy form by post to Diamond Rose NL, Terrace Tower, Suite 201, 80 William Street, Sydney, New South Wales 2011; or
  - (b) by facsimile to the Company on facsimile number (02) 9380 7972,

so that it is received not later than 5:00pm EST on Wednesday, 22 November 2006

**Proxy forms received later than this time will be invalid.**