



ALBIDON LIMITED

ARBN 107 288 755

NOTICE OF GENERAL MEETING

Incorporating

EXPLANATORY MEMORANDUM & PROXY FORM

To be held

9:00am on Thursday, 18 December 2008

at

The Celtic Club Inc
48 Ord Street
WEST PERTH WA 6005



LEVEL 1
62 COLIN STREET
WEST PERTH WA 6005
AUSTRALIA

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ABN 86 107 288 755

2 December 2008

Dear Shareholder,

Please find enclosed the Notice of Meeting for a general meeting of shareholders to be held at the Celtic Club Inc, 48 Ord Street, West Perth 6005 at 9.00am (Perth time) on Thursday, 18 December 2008.

The purpose of the meeting is to seek shareholder approval to a number of resolutions which are set out in the attached Notice of Meeting. Principally the resolutions are in respect of the recently announced US\$9 million capital raising to provide working capital for the Munali Nickel Project and the conversion of US\$5 million worth of subordinated debt.

A voting instruction form accompanies this Notice of Meeting.

Your Directors recommend that security holders vote in favor of the resolutions contained within the Notice of Meeting and look forward to your attendance at the meeting.

Yours sincerely

John Shaw
Chairman

ALBIDON LIMITED
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NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of the Shareholders of Albidon Limited ("Company") will be convened at The Celtic Club Inc, 48 Ord Street West Perth, Western Australia on Thursday, 18 December 2008 commencing at 9.00am, for the purpose of transacting the following business referred to in this Notice of General Meeting.

The accompanying Explanatory Statement and Proxy Form provides additional information relating to the matters to be considered at the General Meeting, and forms part of this Notice of General Meeting ("Notice").

AGENDA
ORDINARY BUSINESS

To consider, and if thought fit, to pass, with or without modification, the following ordinary resolutions:

RESOLUTION 1

Approval of Prior Issue of Ordinary Shares

"That for the purposes of ASX Limited ("ASX") Listing Rule 7.4 and for all other purposes that the Company approves and ratifies the prior issue and allotment of 15,575,800 ordinary fully paid shares at an issue price of US\$0.26 as specified in, and on such terms and conditions referred to in, the Explanatory Memorandum accompanying this Notice."

RESOLUTION 2

Issue of Ordinary Shares

"That pursuant to and in accordance with ASX Listing Rule 7.1 and for all other purposes, the Directors be authorised to issue 19,469,750 ordinary fully paid shares in the capital of the Company to Jinchuan Group Limited at an issue price of US\$0.26 each, and 10,000,000 ordinary fully paid shares in the capital of the Company at an issue price of US\$0.50 each, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

GENERAL NOTES

1. The Company will disregard any votes cast on the resolutions by the following person(s);

RESOLUTION 1

Genesis Asset Managers LLP and any associate of that person.

RESOLUTIONS 2

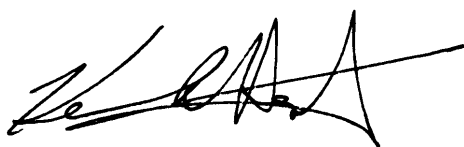
Jinchuan Group Limited and any associate of that person.

RESOLUTIONS 1 AND 2

However, the Company will 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 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.
2. The Explanatory Statement to Shareholders attached to this Notice of General Meeting is hereby incorporated into and forms part of this Notice of General Meeting.
3. All holders of Shares appearing in the Company's register of shareholders at 5.00 pm (Western Australia time) on 16 December 2008 will be entitled to attend and vote at the meeting.

BY ORDER OF THE BOARD



Kevin Hart
COMPANY SECRETARY

Dated this 2nd day of December 2008

Proxies

Registered Shareholders of the Company only can vote at the meeting personally or by proxy, attorney or representative. A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. A proxy may but need not be a shareholder of the Company. The instrument appointing a proxy must be in writing, executed by the appointor or his/her attorney duly authorised in writing or, if such appointer is a corporation, either under seal or under hand of an officer or his/her attorney duly authorised. The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the Registered Office of the Company not later than 9:00 am Western Australian Time on 16 December 2008. For the convenience of shareholders a Proxy Form is enclosed with notices sent to Shareholders.

A shareholder that is a corporation may elect to appoint a representative in accordance with the Articles of Association in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company not later than 9:00am Western Australian Time on 16 December 2008.

CHESSE Depository Interests

Holders of CHESSE Depository Interests ("**CDI**") are invited to attend the meeting but are not entitled to vote at the meeting. In order to have votes cast at the Meeting on their behalf, CDI holders must complete, sign and return the CDI Notice of Direction enclosed with the Notice sent to them to Computershare Investor Services Pty Limited, Level 2, 45 St Georges Terrace, Perth, WA 6000, Australia or GPO Box D182, Perth WA 6840, Australia so that CDI holders can direct CHESSE Depository Nominees Pty Ltd ("**CDN**") to vote the underlying shares on their behalf. The CDI Notice of Direction needs to be received at the address shown on the form by not later than 9:00am Western Australian Time on 16 December 2008.

CREST - Depository Interests

Holders of Depository Interests in CREST ("**DI**") are invited to attend the meeting but are not entitled to vote at the meeting. In order to have votes cast at the Meeting on their behalf, DI holders must complete, sign and return the instruction form enclosed with the Notice sent to them to Computershare Investor Services PLC, PO BOX 82, The Pavilions, Bridgewater Road, Bristol BS99 7NH so that DI holders can direct Computershare Company Nominees Limited ("**CCN**") to vote the underlying shares on their behalf. The instruction form needs to be received at the address shown on the form by not later than 9:00am Western Australian Time (being 12.00pm London Time) on 15 December 2008.

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EXPLANATORY MEMORANDUM

The Explanatory Memorandum has been prepared to provide Shareholders with an explanation, of and material information about, all of the agenda items to be considered at the General Meeting of the Company.

This Explanatory Memorandum forms part of the accompanying Notice of Meeting and should be read in conjunction with the Notice of Meeting.

The Directors recommend that Shareholders read this Explanatory Memorandum before determining whether or not to support the Resolutions.

1. Approval of Prior Issue of Ordinary Shares

On 26 November 2008, the Company announced it had completed a share placement of 35,045,550 ordinary shares at an issue price of US\$0.26 per share to raise US\$ 9 million (before issue costs). The capital raising is to be comprised of two tranches.

Resolution 1 is in respect of the issue of 15,575,800 ordinary fully paid shares being Tranche 1 referred to in the Company's announcement.

ASX Listing Rule 7.1 provides that without shareholder approval, a company must not issue or agree to issue new "equity securities" constituting more than 15% of its total ordinary shares on issue within a 12 month period, excluding any issue of shares approved by shareholders.

However ASX Listing Rule 7.4 allows an issue of securities made without the approval of shareholders to be treated as having been made with approval for the purposes of ASX Listing Rule 7.1 provided the issue did not breach ASX Listing Rule 7.1 and shareholders subsequently approve the issue.

Shareholder approval is now sought pursuant to ASX Listing Rule 7.4 to approve the prior issue so that the Company retains its capacity to issue up to a full 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:

- (i) the total number of ordinary fully paid shares issued or to be issued is 15,575,800;
- (ii) the issue price of the ordinary shares is US\$0.26 per share (A\$0.40 per share using a conversion rate of A\$1:US\$0.65);
- (iii) the ordinary shares issued rank equally with the Company's existing ordinary shares on issue;
- (iv) the allottee is UK based institutional investor, Genesis Asset Managers LLP;
- (v) the funds raised will be used for the Munali Nickel Project and provide working capital;
- (vi) no related parties participated in the above equity security issues; and
- (vii) the issue of the above equity securities when made did not breach Listing Rule 7.1.

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EXPLANATORY MEMORANDUM (cont'd)

2. Issue of Ordinary Shares

The Company is required to seek shareholder approval for any issue of securities greater than 15% of its issued capital pursuant to ASX Listing Rule 7.1

On 26 November 2008 the Company announced it has entered into a Subscription Agreement to place 19,469,750 shares at US\$0.26 (A\$0.40 per share using a conversion rate of A\$1:US\$0.65) to Jinchuan Group Limited ("Jinchuan") to raise US\$5 million (approximately A\$7.7 million using a conversion rate of A\$1:US\$0.65). The Company and Jinchuan Group Limited have also entered into a Conversion Agreement to convert US\$5 million of subordinated debt by issuing 10,000,000 ordinary shares at US\$0.50 (approximately A\$0.77 per share using a conversion rate of A\$1:US\$0.65) to Jinchuan thereby reducing the Company's subordinated debt to US\$15 million. Receipt of funds requires foreign currency clearances.

Resolution 2 has been included so that shareholders may approve the issue of 29,469,750 ordinary fully paid shares being the Tranche Two shares referred to in the Company's announcement.

On completion of the share issues contemplated by the resolution Jinchuan will hold 18.43% of the issued capital of the Company and will have the right to nominate a representative to Albidon's Board of Directors.

The issue of ordinary shares pursuant to this resolution will represent 14% of the expanded issued capital of the Company on an undiluted basis.

ASX Listing Rule 7.3 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.1:

- (i) the total number of ordinary shares to be issued is 29,469,750;
- (ii) ordinary shares issued pursuant to Resolution 2 will be issued and allotted within 60 days of the date of the meeting convened by this Notice;
- (iii) the ordinary shares issued pursuant to Resolution 2 will be issued as follows:
 - 10,000,000 ordinary fully paid at a price of US\$0.50 each (approximately A\$0.78 per share using a conversion rate of A\$1:US\$0.65) pursuant to the Conversion Agreement with Jinchuan to convert US\$5 million of subordinated debt into shares; and
 - 19,469,750 ordinary fully paid at a price of US\$0.26 each (A\$0.40 per share using a conversion rate of A\$1:US\$0.65) pursuant to the Subscription Agreement with Jinchuan Group Limited;
- (iv) the ordinary shares will be issued to Jinchuan, a substantial shareholder in the Company;
- (v) ordinary shares issued pursuant to Resolution 2 will rank equally with existing ordinary shares on issue; and
- (vi) the funds raised will be used for the Munali Nickel Project and provide working capital.