



Recoilless Technologies International Corp. Limited

XXI Century Pioneer of Recoilless Technologies

**2009 ANNUAL GENERAL MEETING MINUTES
28 JANUARY 2010**

The Annual General Meeting of Recoilless Technologies International Corp. Limited ('RTICL') was held on Thursday 28 January 2010 at Southern Golf Club, Lower Dandenong Road, Keysborough commencing at 6.30pm.

11.20% of Shareholders attended in person with 66.14% attending in proxy of which the Chairman was nominated the proxy for 1.39%.

RTICL's Executive Director and Chief Operations Officer Mr Geoffrey Morgan chaired the Annual General Meeting and proceedings commenced by Geoffrey Morgan welcoming Shareholders and guests, followed by a short DVD of recent achievements. The meeting then continued by the Chair outlining the structure of the meeting.

1. Conduct the formal business, namely taking of a quorum to ensure that we can decide on the proposed resolutions;
2. Receive and consider the Financial Report;
3. Receive and consider the Directors' Report;
4. Vote on 3 Ordinary Resolutions pertaining to the election of Directors;
5. Close the meeting at the conclusion of voting and questions;
6. Stock Exchange Presentation

Prior to the commencement of formal proceedings, Mr Morgan introduced the additional members of the RTICL Board:

- Mr Richard Giza:- Chairman and Managing Director
- Mr Joseph Vella:- Executive Director

Mr Morgan advised that the Auditor representative from Whelan & Cook could not attend the Annual General Meeting as he had business to conduct overseas, but if there were any questions Shareholders may have for the Auditors, Mr Morgan would pass the questions on to the Auditor and the answers to the questions would be provided in the minutes of the Annual General Meeting.

Mr Morgan thanked Shareholders for their continued support and assured them that the Board and Executives are committed to RTICL and the realisation of its objectives and the proper and ethical conduct of its business.

Mr Morgan confirmed that the Annual General Meeting was a fully constituted meeting of RTICL members and declared there was a quorum present in accordance with both the Constitution and the Corporations Act to enable the proposed resolutions to be considered during the meeting.

Mr Morgan confirmed that the minutes from the 30 January 2009 Annual General Meeting have been accepted and signed by the Chairman.

It was recommended that Shareholders voted in favour of all resolutions.



Ordinary Business

Item 1 – Financial Report

Shareholders were provided the opportunity to view the audited Financial Report for the financial year ended 30 June 2009 on RTICL's website during the meeting notice period. Mr Morgan enabled Shareholders the opportunity during the meeting to ask questions in relation to the Financial Report.

(Key: Q = Question A = Answer N = Note)

- Q. Does the auditor feel that the company's financial condition at present enables the company to proceed with requirements in the short term? (SRN 1618)
- A. Yes. We reviewed the company's cash flow projections in the period post-balance date and prior to the AGM and were satisfied that the company would be able to meet its obligations in the short-term. We were also in regular contact with Management regarding contract negotiations and the impact they will have on future cash flows. Please refer to Note 1(n): Going Concern in the Financial Statements for the year ended 30 June 2009.
- Q. What sort of funding is required short and long term to reach a stock exchange listing? (SRN 1618)
- A. A presentation will be made following the Annual General Meeting that will detail this information.

Proposed Motion

Mr Morgan proposed a motion to accept the Financial Report.

Seconded by SRN 1609.

The motion to accept the Financial Report was carried.

Item 2 – Directors' Report

Shareholders were given the opportunity to consider the Directors Report within the 2009 Financial Statements. Mr Morgan provided a summary of events from the previous twelve months.

Presentation made by Mr Morgan:

"2009 has been another tough yet exciting year for RTI. It began with our attempts for a stock exchange listing on the Frankfurt Open Market. But the more we delved into this process the clearer it became that we were not going to realise the best value for our shareholders. We then proceeded to look at the ways of bringing value into the company and to ensure a successful stock exchange listing is achieved.

In February 2009 our Chairman and Managing Director left Australia to pursue a number of activities including negotiating with HSW and The Bumar Group in Poland with the intention of signing contracts for Joint R&D Projects in both small and large calibre weapons that would see the development of Concept Technology Demonstrators (CTDs) incorporating our recoilless technology to be followed by final practical designs, prototypes and manufacturing for the end user.



Unfortunately during his first month in Poland, Mr Giza became extremely ill resulting in his hospitalisation and major life saving surgery. He remained in hospital for 3 months which caused a serious setback with negotiations that had been commenced. It was also during this time that RTICL was invited to speak at the European Parliament, and due to Mr Giza's illness I was fortunate enough to be able to accept this invitation. Our April Newsletter to shareholders provided details of this event and is available on our website at www.rticl.com. All shareholders were provided a copy of this newsletter. If you did not receive a copy of any of the newsletters mailed out this year, or if you have changed address and are not sure if you updated your details can you please provide Kylie Galea or myself with your updated details after the AGM or contact our office during business hours.

Upon his road to recovery, of 6 months follow up medical treatment, Mr Giza recommenced his negotiations with HSW and Bumar including 2 of its subsidiaries OBRSM/ZMT and FB Lucznik Radom. As all these companies are Government controlled the negotiation process is necessarily long and protracted and has certainly taken longer than expected. Although such an outcome usually takes years to achieve with high profile professionals involved, RTI is proud to be able to say these goals were achieved on our own and in a timely manner.

However we are pleased to announce that on 18 December 2009 a contract was signed with OBRSM, the main research and development facility appointed by the Bumar Group, who is a major defence contractor in Poland made up of over 20 subsidiary companies that produce goods across the entire spectrum of land warfare, home security and antiterrorism, not to mention civilian production. OBRSM is now RTICL's leading partner in Poland, within the Bumar Group that will be involved in designing new solutions in hand weapons as well as small and medium calibre artillery. Our December newsletter provided further details in relation to this matter.

Also whilst in Poland Mr Giza attended the Kielce Arms Expo where he met Mr Endre Szabo from a Hungarian company called Sero Kft and subsequently signed a contract with Sero Kft on 17 September 2009 for the incorporation of our recoilless technology into their Gepard GM6 Lynx range of weapons. Again our mailed out September newsletter provided details of this matter and is available on our website.

During the 08/09 financial year \$503,284.90 was raised via the sale of shares in RTICL. In addition we received \$113,937 as a result of the R&D Tax Concession. These funds were used to continue R&D activities, pursue contracts for incorporation of our technology with major international defence manufacturers in Poland and maintain basic company operations. Funds were also used to maintain patents and continue our efforts for a stock exchange listing.

RTI will continue to raise funds by the existing methods and is also planning special fund raising activities that will be explained in due course. In addition we are continuing to seek major capital investments from a number of international sources.

Many of our shareholders will not have personally seen our latest GAMMA prototype in action nor the changes made to our test firing chamber that is designed to allow hand held test firing by authorised RTICL staff. Should you, or any of your friends or family be interested in seeing a demonstration please make contact with our office during business hours. We continue to work on modifications to the GAMMA prototype along with significantly enhanced charges inclusive. The purpose of this testing is to prove the concept that substantially more powerful ammunition can be used, that will allay any concerns about loss of velocity by incorporating the recoilless technology, but also increase the range, efficiency and accuracy of weapons in all calibres.



Work has continued on alternative and additional devices for recoil control that has been developed by our senior engineer Mr John Sander. A further provisional patent application has been prepared and should be filed soon, pending available funding.

Following on from the initial contract signing with Sero Kft in Hungary, Richard Giza and Nicolas Zapala have made a number of return trips that has seen the commencement of the research necessary to incorporate our recoilless technology into their Gepard GM6 Lynx range of weapons. According to the pending arrangements with Sero, RTI will also be involved in the distribution and sale of these weapons both pre and post the incorporation of the recoilless technology.

We now have 2 subsidiaries in Poland, namely RTI Poland LLC SP Zoo and RTI S.A. The purpose of the subsidiaries in particular RTI S.A is to enable us to not only negotiate contracts with major Polish defence industries but also to generate investments from Poland. With the subsidiaries set up we can also run R&D projects through these companies, and later manage the manufacturing and sales of final products. RTI S.A can also be listed on the stock exchange in Poland and initially this will most likely be through their New Connect Market. To that effect we are currently negotiating with potential listing partners, who have the best track record in raising top investments on the Polish financial market. These listing partners are very interested in RTI's technology and are confident that they can create value in the company through a successful listing.

In a very recent development we are pleased to announce that Dr Andrzej Ratajczak, MD, PhD, will be joining the RTI SA Board and will join our research team that will see him taking a lead on solutions for civilian applications for our technology. Dr Ratajczak is a highly qualified and experienced surgeon from Poznan in Poland and practices medicine at the Poznan Medical University Hospital in addition to running his own private practice. He is also an inventor.

In a further major development and just as Mr Giza was about to leave Poland and return to Australia, a contract was signed with WITU, the Military Institute of Armament Technology (equivalent to the Defence Science and Technology Organisation or DSTO here in Australia) that will lead to the incorporation of the Recoilless Technology into large calibre weapons and artillery such as cannons.

Also a cooperation agreement was signed with a private company by the name of HartMet who supply one of the Bumar subsidiaries (FB Lucznik Radom) with weapons parts.

And finally a Letter of Intent has been signed between RTICL, FB Lucznik Radom and OBRSM that will see a contract signed by 17 February 2010 for the incorporation of our recoilless technology into small calibre weapons.

Ladies and gentlemen these are very positive steps for us all and the culmination of many hard years of work. But this is just the beginning!!

Our subsidiary in Singapore remains active and will be the base for our operations in South East Asia. Now that contracts are in place in Poland, Richard Giza will be returning to Singapore in the near future, and through the Polish Ambassador in Singapore, continue negotiations with Senior Government and Defence Personnel in relation to their proposed major capital investment and/or project grants. In addition to the negotiations in Singapore, RTI is looking for financial or material and logistical support in Malaysia as part of its South East Asian operations. RTI is negotiating these Malaysian deals through a contracted financial and business facilitator who has approached the Malaysian Government and is awaiting further positive responses in relation to such, as our case is being reviewed by relevant consecutive levels of the Malaysian Government administration.



Our subsidiaries in the USA and New Zealand will also provide the basis for pursuing contracts and raising funds in those countries, but as you can understand priority is currently with our European operations which will give RTI support from the European Union, and enable project funding supported by 450 million people of the EU community.

To date we have 25 patents granted covering over 60 countries with the latest granted being Canada on 4 August 2009. As you would all be aware maintaining patents represents a significant annual cost for RTI which will increase as more are applied for and granted. In addition it is our intention, now that contracts are either in place or to be signed for the further development of our technology, to file a series of new patents to ensure that our intellectual property remains protected. This process will commence during the course of 2010.

At our last AGM it was indicated that we were looking at the Frankfurt Stock Exchange for a possible listing for RTI. Subsequent to this, a great deal of research, along with many meetings, were held with the potential listing agent. Meetings were held in his office in Munich, Germany and attended by myself once and Richard Giza and Nicolas Zapala on a number of other occasions. The more we looked into this matter the more apparent it became that to proceed with such a listing would not be in the best interests of our Shareholders nor would it provide the capital we are seeking to support our R&D efforts.

In much of the discussion that has been held we have been advised that having contracts, to support our Recoilless Technology, would add value and strength to any potential listing and this has been vigorously pursued with major defence companies in Poland as previously announced.

In the midst of all this action we have also been looking at the New Connect Market in Poland for a possible listing of our S.A Company and negotiations for this are still continuing.

In addition to Poland we are also continuing to pursue a listing on the Australian Stock Exchange, and Mr Mark Simari, of KPI Financial Group, will give a brief presentation providing information in relation to this matter at the end of our meeting.

RTICL's listing plans are more extensive than what has been mentioned herein but for now RTI is concentrating on what we can achieve in a relatively short period of time.

It is important for RTI to continue to promote itself at various events involving the defence and weapons industries. During 2008/09 the following events were attended:

- *Land Warfare Conference in Brisbane in which RTI was one of the exhibitors on the stand sponsored by the Victorian Government;*
- *Avalon Air Show in Melbourne. Again RTI was an exhibitor on the stand sponsored by the Victorian Government;*
- *Defence and Industry Conference in Adelaide. RTI Exhibited independently;*
- *Kielce Arms Expo in Poland. This event was attended by Mr Richard Giza and Mr Nicolas Zapala and resulted in meeting with Andre Szabo Jr from Sero Kft, which subsequently led to the signing of our first contract as previously advised.*

This highlights the importance of exhibiting at, or attending such events and the results that can be achieved.



In 2010 we expect to see the realization of many years of hard work and negotiations that will see us achieve the following goals:

- *Contracts signed with major Polish key defence companies;*
- *Rapid development of various weapon platforms, systems and training devices;*
- *Rapid developments of the Gepard GM6 Lynx weapons in association with our contract partner Sero Kft and/or other Hungarian defence companies;*
- *Development of specifically chosen civilian applications of RTICL intellectual technologies;*
- *The next round of patent applications;*
- *Substantial bridging funding to support our current R&D activities completing further contractual arrangements; and finally*
- *A much awaited and anticipated Stock Exchange Listing to allow rapid development of RTICL to support the advanced R&D efforts, to be followed by manufacturing, marketing and sales of contracts in place and the future contracts to be generated.*

We, Richard, Joe and I as Directors of RTICL have both a legal and moral obligation to each and every shareholder and it will be our duty, in parallel with the five employees, to deliver you the best results we can in 2010 and make this the most memorable and successful year in RTICL history.

In closing I ask for your patience, support and understanding as we operate, at least in the short term, on reduced staff and minimal funding to ensure a successful stock exchange listing for RTICL and all of its shareholders.”

Shareholders were provided the opportunity to ask questions in relation to the Directors' Report and were advised that if they had any stock exchange listing questions, they hold off on asking these questions until Mark Simari has given his presentation as most of the answers will be provided at this time.

Mr Morgan advised there will be an opportunity to ask further questions on conclusion of Mark's presentation.

Questions in relation to the Directors' Report were directed to the Chair.

Q. Have recent developments overseas as outlined, eased financial pressures on the company to enable it to proceed into the future? (SRN 1618)

A. Recent developments will assist the company in raising capital and therefore ease the financial pressures and enable it to proceed into the future.

Q. Has the company been able to attract many major financial backers lately? (SRN 1618)

A. As a result of recent developments we are in negotiations with a number of major financial backers both locally and internationally, but financial backers are still required immediately for bridging funding and financing our current operational activities.

Q. Are further investments required to enable progress to continue? (SRN 1618)

A. At this point in time we are still pursuing and accepting further investments that allow RTICL to continue to progress towards R&D advancements and listing. Investments are always going to be required in order for the company to continue its operations, but once the company is successfully listed this process should become much easier.

SRN 1579 stood at this point and mentioned that he was a major investor and has been one of the most antagonising investors at previous Annual General Meetings of RTICL, but this is the first time



major advancements have been made, unlike previous years where he believes no progress has been made. SRN 1579 congratulated the Board on their achievements and encouraged them to continue to strengthen the company for a stock exchange listing. SRN 1579 suggested that if RTICL does continue the way it is going then a successful stock exchange listing is possible and he once again encouraged RTICL and the Board to continue to succeed in the future.

Q. Is there any push towards the USA?

A. No RTICL's concentration is currently in Poland and Europe.

Proposed Motion

Given there were no further questions relating to the Directors' Report, Mr Morgan proposed a motion to accept the Directors' Report.

Seconded by SRN 1056.

The motion to accept the Directors' Report was carried.

Ordinary Resolutions

Ordinary Resolution 1 – Election of Director: Mr Richard Giza

Mr Morgan put the motion to the meeting that Mr Richard Giza, who retires as a Director in accordance with Clause 67 of the Company's Constitution, be re-elected as a Director in accordance with Clause 70 of the Company's Constitution.

Nil questions were asked by Shareholders in relation to Ordinary Resolution 1.

Seconded by SRN 1610.

0.01% of Shareholders opposed the appointment of Mr Giza as a Director and 69.37% of Shareholders were in favour of Mr Giza's election to the Board of RTICL. The motion was therefore passed by majority vote and Mr Giza was appointed a Director of RTICL.

Ordinary Resolution 2 – Election of Director: Mr Joseph Vella

Mr Morgan put the motion to the meeting that Mr Joseph Vella, who retires as a Director in accordance with Clause 67 of the Company's Constitution, be re-elected as a Director in accordance with Clause 70 of the Company's Constitution.

Nil questions were asked by Shareholders in relation to Ordinary Resolution 2.

Seconded by SRN 1611.

Nil Shareholders both present and by proxy opposed Ordinary Resolution 2 therefore the motion was unanimously passed by the 69.26% of Shareholders participating in voting during the meeting.

Mr Morgan then handed the Chair to Mr Richard Giza for Ordinary Resolution 3.

Ordinary Resolution 3



Mr Giza put the motion to the meeting that Mr Geoffrey Morgan, who retires as a Director in accordance with Clause 67 of the Company's Constitution, be re-elected as a Director in accordance with Clause 70 of the Company's Constitution.

Nil questions were asked by Shareholders in relation to Ordinary Resolution 3.

Seconded by SRN 1056.

0.01% of Shareholders opposed the appointment of Mr Morgan as a Director and 69.25% of Shareholders were in favour of Mr Morgan's election to the Board of RTICL. The motion was therefore passed by majority vote and Mr Morgan was appointed a Director of RTICL.

The Chair was returned to Mr Morgan. Shareholders were provided the opportunity to ask any further questions. There being no further questions and no further business, the meeting was closed at 7.45pm.

Signed as a true and correct record:

Mr Geoffrey Morgan
Company Secretary
1 March 2010